Daily Report

Latin America

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Cuba

Radio Havana Says U.S. Journalist Asked To Leave

PA2010150893 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Oct 93

[From the "Evening Information Review" newscast]

[Text] On 9 October, Cuban immigration authorities asked U.S. journalist (Mary Speaks) to leave the country because she violated the immigration status she was granted to visit the island. A spokesman of the International Press Center said (Speaks) had received a tourist visa but while in Cuba she undertook activities unrelated to that objective. According to reports received in Havana, the U.S. journalist forms part of THE MIAMI HERALD staff.

Hart Discusses Roots, Economy, Identity

FL2110010893

[Editorial Report] Havana Cuba Vision Network in Spanish at 0200 GMT on 20 October carries its Open Agenda program featuring a colloquy with Armando Hart Davalos, minister of culture and member of the Central Committee.

Host Antonio Resillez begins by asking Hart to briefly summarize his "Cuban Identity, Culture, and Politics" study, written "to discover the political contributions of Cuban culture in difficult times of international changes and the dire crisis of socialism in the 20th century," which has been the main focus of Hart's work for many years.

Hart states that the collapse of socialism in Eastern Europe resulted in some confusion, particularly among the younger generations, regarding the ties between Cuban culture and socialism. Hart says: "We have done a comprehensive examination of the political culture inherited by the generation of the centennial. It is important to know what culture the generation of the centennial inherited and what culture the Revolution advocated following its victory. This is a culture with deep popular roots. It has many antecedents in Varela, the men of 1868. Since Baragua, the culture has been radicalized toward deeply popular sectors, to the point that no rich class was able to properly represent Cuba's culture from 1868 on."

Hart goes on to say: "Today, there is talk of social democratic doctrines, Christian democratic doctrines, socialist doctrines a la Salvador Allende, Mitterrand, or Felipe Gonzalez, but the problem is that the generation of the centennial did not inherit any of those cultures. It inherited an anti-imperialist culture that arose from Marti, a deeply democratic culture, a national culture from the 1930's and Guiteras. It also inherited a political culture with socialist roots, but in Cuba—and it is important to divulge this—in the forties and fifties, the only socialist tradition around had a bolshevik origin, had a Leninist origin. There was not a social democrat or socialist school of thought in Cuban society. We were followers of Marti. Anti-imperialism had a strong popular root. If you study Fidel's definition of what people understand in terms of struggle in his 'History Will Absolve me,' you will find that there is not a bourgeois democratic doctrine. The classes Fidel refers to are the working and exploited classes."

Hart stresses that during the sixties, imperialism claimed that the Revolution had changed direction with the introduction of socialism and that it expected the Revolution to have been a democratic bourgeois revolution. Hart adds: "The Revolution directed us toward socialism by our own paths. We are truly grateful for all the help provided by the Soviet Union and many socialist countries, but in reality, the evolution of the Cuban political culture arose from our traditions and Marti's anti-imperialism, the socialist culture of Mella, the first communist party in the twenties, the anti-imperialism of Guiteras, and Latin American anti-imperialism."

Hart points out that the support of the USSR came later, but that the first measures taken by the Revolution, such as the Agrarian Reform Law of 1959, which resulted in the first plans for aggression against Cuba, were measures proposed years earlier in the Moncada Plan.

Hart explains that the nature of the Cuban political culture began to develop after 1870 with Marti and Maceo, and that Marti advocated a global, anti-imperialist doctrine. He adds: "It is important to clarify this for the younger generations, who might lack information on the development of Cuban society, and to refute the imperialist charge that we betrayed what they call the democratic revolution. We did not betray the democratic revolution; we continued the democratic revolution and it directed us to socialism."

Regarding the speed of current changes, Resillez asks about efforts to maintain art and culture in the face of current changes. Hart states that he believes art and culture ought to be closely connected to the most important economic and social goals of the country, primarily through education. Hart points out that cultural festivals are feasible because they are done in conjunction with tourist programs such as the Caribbean Festival, and ballet and film festivals. Hart stresses that tourism is underwriting the festivals, and this expands Cuban culture even more. Hart talks of budding efforts to provide cultural events at workers' camps.

On economic aspects, Hart states: "There is going to be an important change in economic relations between institutions and artists. The change will consist of contractual relations between institutions and artists. The issue of hard currency has been discussed and this has resulted in certain measures such as authorizing certain selected institutions to handle hard currency since individual artists can already do so." Hart stresses that this is

an issue that deserves to be discussed in a separate program and that basic measures have been taken to develop an economic subsystem in the culture: "The hard currency accrued by culture is used for education and culture."

"Before, everything culture accrued was given to the central budget, and afterwards, we received our budget or asked for hard currency. Following the emergence of this crisis, we could not ask for hard currency. Therefore now, everything we accrue [words indistinct]." He adds: "It is important to divulge this. This is one of the essential cornerstones of the economic subsystem of culture." Hart stresses that the people can be assured they have not been sitting on their hands and that new solutions are being sought, while preserving the socialist principle of the institutional authority of the cultural system.

Regarding Cuban culture, Hart points out that the time for the final truth is at hand and that we ought to remember Marti's verse that says that on judgment day we are condemned together or saved together. Hart explains that this shows how Marti linked culture and revolutionary patriotism: "One of the most important elements of Cuban culture."

Regarding the artistic production of Cubans abroad, Hart states that the factor that could make this production viable is ties with the island, but that it is possible for Cubans abroad to produce significant works because many keep their traditions alive, particularly thanks to training provided by the Cuban education system. On the issue of national identity, Hart repeats his answer to a foreign reporter: "To be, or not to be."

"The Cuban Revolution was born of the struggle to defend social equality among men, the abolition of slavery, and national independence. Marti added the anti-imperialist element. We belong to our America, the America of Bolivar, not to North America, with whom we do not seek an irreconcilable antagonism. We have many friends there. Marti did not want an irreconcilable animosity with the U.S. people. Yet, we are part of our America. We have embraced a socialist vocation in this century. This is our identity."

Hart concludes by stating: "The Cuban people are committed to being and continuing to be."

Havana Notes U.S. 'Playing Two Hands' in Haiti

FL2010200693 Havana Radio Rebelde Network in Spanish 1255 GMT 20 Oct 93

["Our Opinion" commentary by Eduardo Dimas]

[Text] Good morning. Allow me to point out some complex ideas on the current Haitian situation. In a previous commentary, I mentioned that not everything was very clear and that it seemed that someone was playing two hands at the same time. On the one hand, they condemned the participants in the coup d'etat and on the other hand they supported them so they could resist. On the one hand, they allowed overthrown Haitian President Jean Bertrand Aristide, who they never liked because of his popular character and his anti-imperialistic speeches, to remain in their territory, while on the other hand, they did everything possible to delay, prolong, and [word indistinct] Aristide's return to his country. Obviously, I am referring to the United States.

I mention all this because it seems incredible that a handful of military men from a small island—the poorest country of the continent—and without popular support, can create an international crisis; provoke a blockade resolution by the UN Security Council, which barely worked; prevent the return of Aristide; fail to keep agreements; get the UN Security Council to reinstate the blockade; and still continue to resist.

I will point out something else for your analysis. The Haitian Army has never been independent, nor could it ever be, because of its small size and its role as a body repressing the people, accustomed to obeying the orders of Washington and the dictator in power at the time. It is a corrupt army that has lost all sense of hierarchy in virtue of internal ('purges'). Furthermore, according to the U.S. Congress itself, in the last two years under the command of General Raoul Cedras Haiti has become a haven for drug traffickers and a new route for smuggling drugs into the United States.

After mentioning these things, we are forced to ask a question: Why is it that the United States does not stage an operation to kidnap Cedras such as the one carried out in Panama to take General Manuel Antonio Noriega?

I will point out another fact. For a long time Cedras has maintained close ties with the U.S. Department of Defense. I have the impression that the U.S. Government, during the Bush administration, promoted the coup against Aristide because it did not like him and because he did not guarantee their interests.

Later, in the face of international rejection, it used the well-known double standard: It condemned Cedras and his followers, it promoted the blockade decreed by the United Nations, while at the same time it supported the coup leaders. This explains why the blockade had such little effect.

Following this line of thought, it is obvious that it seeks a solution to Haiti, but it will not be as easy as it would have been if the coup leaders had kept the Governors Island Agreement. That would suppose a victory for the popular Haitian forces, which is something that is not suitable to U.S. interests.

Having mentioned this, I ask myself: Is the mobilization of naval units and troops from the United States and other countries to force the participants in the coup d'etat to surrender or to prevent a popular victory in Haiti?

For the present, Mrs. Madeleine Albright, U.S. Ambassador to the United Nations, declared that the United States' two priorities in Haiti are to protect the lives of U.S. citizens that reside on the island, and to reinstate democracy. In other words, the old interventionist pretext has already been established.

Because of all this, I believe that the Governors Island Agreement was a way to impose on President Aristide a negotiated solution in agreement with imperialist interests. As a matter of fact, they committed him to coexist with the high command of the Army, except the most notable figures of the coup d'etat.

Now I am almost certain that the mobilization of U.S. naval forces and those of other countries is to prevent any possible popular victory and to establish a restricted democracy, so common on our continent and so well-liked by the United States.

I reiterate, I do not consider myself the holder of absolute truth, so time will tell if I am right or wrong.

Agriculture Ministry Created 22 UBPC's in Las Tunas

FL2110001293 Havana Radio Reloj Network in Spanish 2032 GMT 20 Oct 93

[Text] To-date, the Agriculture Ministry has created 22 Basic Cooperative Production Units [UBPC's] in Las Tunas Province, out of the 130 planned. Seventeen of the units will engage primarily in cattle farming, and the other five will produce miscellaneous crops.

Sugar Minister Outlines Harvest Efficiency Measures

FL2110023393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 21 Oct 93

[Report by correspondent Manolo Rodriguez Salas]

[Text] The process of creating Basic Cooperative Production Units [UBPC's] in the sugarcane sector concluded in Pinar del Rio Province with the creation of 47 such entities to [words indistinct] in the sugarcane recovery struggle. In addition to these, four Youth Labor Army [EJT] farms were created yesterday. These farms will operate under the same production and organization principles as the UBPC. The difference is minimal and lies in the military command structure of the EJT. However, the goal is the same: To have more sugarcane in the forthcoming harvests.

Nelson Torres, sugar minister and member of the Politburo; division General Rigoberto Garcia Fernandez, member of the Central Committee and chief of the EJT, as well as party and government officials participated in the ceremony marking the creation of the four military farms.

[Begin recording] [Rodriguez] Minister, there is less than a month until the beginning of a sugarcane harvest that on several occasions you have described as a war being faced by sugar workers. What strategy has the Ministry drafted in terms of organization and policy for the harvest that is about to begin?

[Torres] We are truly called to conduct an efficient harvest, a harvest we compare to a battle we have to win with great efficiency, organization, and discipline. In order to do this, the Ministry is organizing a group of measures, among which are national, territorial, and provincial command posts. We also expect the agro-industrial complexes to engage in a struggle to ensure that not a single mill stops, that not a single hour of grinding is lost, and that the grinding is high and stable in order to extract the most sugar from the sugarcane available. [end recording]

The conditions are there. The next challenge for the workers of Pinar del Rio is an ambitious cold season planting plan.

Robaina Greets Burmese Foreign Minister, Delegation

FL2110025993 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Oct 93

[Text] This evening, U Ohn Gyaw, foreign minister of the Union of Myanmar, formerly Burma, arrived in Cuba at the invitation of Cuban Foreign Minister Roberto Robaina. At the Jose Marti International Airport, the Cuban minister greeted the Asian delegation which also includes the Myanmar ambassador to the United Nations, a representative of the Defense Ministry and the second secretary of the Interior Ministry of that Asian nation.

Gyaw stressed that his visit to Cuba was a reaffirmation of the relations of friendship held by both nations despite the distance that separates them, and added, My visit will also serve to see what the Cuban Government does to contribute to the well-being of its people.

The foreign minister of the Union of Myanmar will meet with the Cuban sugar and commerce ministers and the presidents of the National Institute of Tourism and National Institute for Sports, Physical Education, and Recreation.

Inter-Caribbean Affairs

CAIC Leader: Survival Requires Change in Consciousness

FL2110014193 Bridgetown CANA in English 2210 GMT 28 Oct 93

[Text] Port-of-Spain, Trinidad, 20 Oct, CANA—A top official of the Caribbean Association of Industry and Commerce (CAIC) says a dramatic culture change is necessary for the economic survival of the region, amid the changing international climate.

Audley Walker, managing director of the West Indian Tobacco Company (Witco), said here Wednesdsay there was a general concern and occasional alarm about the possible challenges and threats the North American Free Trade Arrangement (NAFTA) and the single European market will have on the region's future economic prospects.

Speaking on behalf of the CAIC at the third Caribbean Quality Leadership Forum, Walker asked whether the region's economies will be able to compete and survive and whether there was any chance of reducing the already high unemployment levels. He further questioned whether the region could earn enough foreign exchange from exports to maintain the living standards of the people.

"We as a people must change our world view. It will require nothing less than a break with the past, a change in our way of thinking, a shift in our paradigm," he told delegates to the conference, which was titled "Managing Change for World Class Competitiveness."

"Gone are the days when we could rely on the benevolence of the developed countries to grant us most favoured nation status. Caribbean leaders in business, politics, and society must send a clear message to our people that excellence in all areas is the minimum acceptable standard if we are to attain international competitiveness." Walker said governments must develop a policy framework with the social partners in the private sectors and the trade union movement. It was also the responsibility of companies to change their habits and lead the culture shift that was required for their survival.

Walker said the work culture had been traditonally characterised by attitudes and habits, bred by years of special preferences in protected markets, while economies were based largely on inward-looking and import substitution models.

"In other words, we need to make radical changes in our thought processes. We must nurture different behaviours, particularly in the work place." He said the new work ethic should focus on the timely supply of goods and services, that were equal to, or better than what is available on the international market. "The new culture will largely eschew market preferences and protection, and emphasise outward-looking, export-oriented strategies based on the fundamental ability to achieve international competitiveness," he argued.

"Our future survival will in the main depend on our ability to effectively harness the resources of our people, and I humbly suggest that our cerebral or brain power is an important resource."

Cedras: 'The People' Request Pope's Mediation in Crisis

PA2010125993 Mexico City NOTIMEX in Spanish 0903 GMT 20 Oct 93

[Text] Mexico City, 19 Oct (NOTIMEX)—General Raoul Cedras, Haitian Armed Forces chief, last night expressed the possibility that Pope John Paul II mediate in his country's crisis. He reiterated that this is not his personal position, but that of the people.

In an interview with "24 Hours" newscast of Mexican television network "Televisa," Cedras explained that the initiative of the Pope's mediation stems from the fact that the citizens of Haiti, 90 percent whom are believers, have asked him to mediate given his high moral authority. The soldier said that "if the decision is made by sectors of this country, Haiti, I will immediately agree, particularly if this will lead to a quick and peaceful solution of the crisis."

In a message to the nations of Latin America, Cedras stated that Haiti has suffered a great deal from the oil and arms embargo decreed by the OAS and the United Nations. He wished that "a similar situation does not happen to other brother Latin American country." The general indicated that the measures adopted by the OAS and the United Nations against Haiti are "exceptional," because they are not included in their respective charters. He added that only "God knows against whom these measures will be applied in the future."

He recalled historical passages in which the nations of the area, including Haiti, received support of ammunition, weapons, and men, which permitted them to achieve Latin American independence.

Cedras Demands Vote on Amnesty Law Prior To Resigning

FL2010175893 Port au Prince Signal FM Radio in French 1030 GMT 20 Oct 93

[Text] From the beginning, the political and penal amnesty insistently demanded by General Raoul Cedras, commander in chief of the Haitian Army, has been a weighty obstacle in solving the crisis triggered off by the September 1991 military coup. On 19 October, Gen. Cedras urged ousted President Jean-Bertrand Aristide to convene the Haitian parliament in a special session with a debate on amnesty on the agenda so that legislators can approve a law which, he says, they have already prepared. According to the Army chief who overthrew Aristide, the parliament wants to pass this law, but because it is not in session at this time, it cannot do so legally without an official convening by the constitutional head of state.

Father Aristide, who has been living in Washington since he was deposed, did not answer this request during the night of 19 October. Gen. Cedras has implicitly set the approval of the amnesty by the parliament as a condition

for his withdrawal as the head of the Haitian Armed Forces before the return of President Aristide scheduled for 30 October.

On 3 October, the deposed president issued an amnesty decree for the political breaches committed between 29 September 1991, the eve of the coup and this past 3 July, the date of the signing of the Governors Island Agreement. However, the amnesty would not cover the offenses considered common law offenses or the possible civil legal proceedings instituted against those responsible for the innumerable human rights violations perpetrated in Haiti over the past 24 months. The decree issued by President Aristide explains that clemency or an official forgiveness of political offenses would not lessen the rights of third parties in the matter of civil law and fundamental freedoms. According to the deposed head of state, the Haitian Constitution does not allow those rights to be limited.

The Governors Island Agreement is emphatic concerning the granting of a political amnesty by President Aristide within the scope of Article 147 of the Constitution, but it is ambiguous as to the parliamentary amnesty. Article 6 of the agreement establishes—besides the presidential amnesty that will be in force—the instruments that might be approved on that issue by the parliament on this issue. Nevertheless, during the Governors Island negotiations, they thought President Aristide would do what is necessary so that the Haitian parliament could grant a wider amnesty including common law offenses for political reasons, pointed out observers who had closely followed the negotiations. But it was very difficult for Aristide to make a decision on granting any amnesty, especially as regards Gen. Raoul Cedras whom he had personally placed at the head of the Army.

In February 1992, after he had signed the Washington Agreement at the OAS headquarters with parliamentary leaders, the deposed president stated before the UN Human Rights Commission in Geneva that the amnesty would not be applied to Cedras. Aristide said that at that time that the political assassinations, that had taken place in Haiti since the coup, were crimes against mankind and that Cedras was responsible for them. The amnesty had not been ordered. Because of that and other reasons, the agreement which, just like that of Governors Island, provided for Father Aristide's return to Port-au-Prince has never been implemented.

U.S. Assistant Secretary of State for Inter-American Affairs Alexander Watson said before the Senate commission for external relations that Aristide had sufficiently waited to issue the amnesty decree provided for by the Governors Island Agreement. Watson stated that the UN/OAS mediator, Argentine diplomat Dante Caputo—just like very high-level U.S. State Department officials—urged the deposed president to respect the agreement by ordering the amnesty. According to the main person in charge of Latin America at the State Department, there is a controversy as to whether or not the Haitian parliament should vote an amnesty law as required by Gen. Cedras, although the Governors Island Agreement does not stipulate that. [as heard] I personally think it would be good to do that, but this is something that falls within the competence of Haitians, Alexander Watson added.

OAS Orders Commercial Embargo; U.S. Navy Inspects Vessel

FL2010182393 Port-au-Prince Radio Metropole in French 1045 GMT 20 Oct 93

[Text] Following the vote by the UN Security Council ordering an arms and oil embargo on Haiti, it is the turn of the OAS to also order an embargo. On 19 October, the OAS reinstated the commercial embargo against Haiti, thus supporting as such the oil and arms embargo ordered last week by the UN Security Council. However, contrary to the UN embargo, the OAS embargo, which was reinstated by the organization's permanent council, does not have an obligatory character. [as heard] The U.S. Assistant Secretary for Inter-American Affairs, Alexander Watson, asserted on 19 October, before a senatorial commission, that U.S. ships in charge of enforcing the UN embargo off of Haiti, will note the movements of the ships sailing toward Haiti with goods prohibited by the OAS.

On 19 October, a ship was inspected off of Haiti by a U.S. frigate within the scope of the commercial and arms embargo ordered by the UN and the OAS. The ship was authorized to continue on its way to the British colony of Turks and Caicos Islands. The San Antonio, which is a ship registered in Belize, was the first ship inspected within the scope of the international embargo. Its commander very cooperatively stated that the ship was carrying 970 tons of cement, which is a product not included in the embargo.

Dominican Republic Reinforces Watch on Border

FL2010165793 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Oct 93

[Text] On 19 October, military sources reported that the Dominican Republic has again reinforced its watch on the border with Haiti following the enforcement of the UN/OAS embargo. When asked about the number of troops, who are placed along the nearly 300-km border, General (Constantino Martos Vianueva), minister of the Armed Forces, refused to explain. He only stated that the Dominican Army has taken all the measures required by the situation.

Last week, Dominican President Joaquin Balaguer came out against the resumption of the embargo against Haiti, while saying nevertheless that he would respect the decisions of the United Nations and the OAS.

Malval To Resign If Aristide Does Not Return 30 Oct

FL2010192093 Port-au-Prince Radio Tropic FM in French 1600 GMT 20 Oct 93

[Text] Is 30 October being questioned? Now it is 10 days from the day that would be historic. Doubts and apprehensions have been expressed in Haitian political circles. Prime Minister Robert Malval revealed to the press on the morning of 20 October that on the night of 19 October he had a telephone conversation with President Aristide and that during this conversation the president told him that 30 October was still possible, but that the president would not enter Haiti on that date if General Raoul Cedras and Police Chief Lieutenant Colonel Joseph Michel Francois did not resign. Prime Minister Malval said that he would resign if President Aristide did not return on 30 October as agreed in the Governors Island Agreement. The prime minister spoke this morning before our microphones.

[Begin recording] [Malval] Listen, the embargo.... [pauses] The first sanctions voted by the United Nations in June led to Governors Island. It must be believed that sanctions by the United Nations, that (?bind) all member states, have a certain weight. I believe the Armed Forces know that. Even though, as a government, we have no other options, the Armed Forces have even fewer options than we do. For our part, we can decide that the mission is impossible and then put an end to it. But the Army will remain with the whole problem in its hands. It has shown that it does not have the means to manage its problems. Today, the problems are even greater and the means fewer because some political allies of the Armed Forces have cast the institution aside because they saw there was no more hope. If the international community had to withdraw from the Haitian problem and at the same time had to abandon all the economic aid promised....

[Unidentified journalist] (?Wait, I have a question). Do you have the feeling that the United States and the United Nations have exactly the same stand?

[Malval] Well, yes, until we find evidence to the contrary. You know, in Haiti, we have the rumor mill that has much grist to grind. That grist includes making believe that there is a divergence of views between the United Nations and the United States. But, so far, we have no evidence regarding such an event.

[Journalist] Mr. Malval, you said that you would resign on 30 October if President Aristide did not return and that Michel Francois would have to face the world while showing that he can survive the embargo. What about the population? What will become of the population?

[Malval] Well, listen, I do not want to take the risk of being perceived as an accomplice of those who want to keep the head of state away from the country. I took this commitment within the scope of the Governors Island Agreement. If the Governors Island Agreement is not respected, I will remain an ally in the fight of both the Haitian people and the democratic movement. But, morally speaking, I cannot take the risk of being perceived as a party to those maneuvers. [end recording]

Malval, Aristide: No Negotiations; Amnesty Bill Ready

FL2010231593 Port-au-Prince Signal FM Radio in French 1700 GMT 20 Oct 93

[Report on "exclusive interview" with Prime Minister Robert Malval in Port-au-Prince on 20 October—recorded; passages within italics in Creole]

[Text] There will be no new negotiation of the Governors Island Agreement. According to Prime Minister Robert Malval during an exclusive interview with Signal FM, President Aristide will not meet again with General Cedras, who has not respected his commitments. The head of government asserted that the other party has violated the agreement because the bills brought to parliament by the government have never been voted on, contrary to point 2-A of the New York pact.

This time, the government has softened its stand. Whereas in the recent past, it did not wish to go beyond an amnesty order, today Prime Minister Malval spoke of an upcoming convening of parliament on the amnesty law, which will occur, however, only after the vote on the law to separate the police and the Army.

[Begin recording] [Malval] *I clearly said in the Governors Island Agreement and the New York pact that the law on the separation of the police and the Army should be voted first. President Aristide issued a convening, dated 10 September, asking parliament, which was on vacation—or at least the Chamber of Deputies was on vacation—to begin working on the vote for the law.*

The bill has been before the Chamber for three weeks. They have never voted on it. Aristide said as early as 10 September that once they finish with the vote on the first issue, for which the convening was called, he would be ready to issue the second convening request. I spoke with him last night [19 October]. He told me that his convening request for the vote on amnesty was ready, but that they should first vote the law on the separation of the police and the Army, as provided for in the Governors Island Agreement and the New York pact.

We know that in our country everyone is expert at stall tactics. But the problem remains. Let us suppose that the 30 October event does not occur. What will they do, because President Aristide will not sit again with these people who have not kept their word. If they think the agreement is going to be renegotiated, they should forget about it, because it is quite clear that there will be no new negotiations if these people do not respect the commitments they have already made. An agreement must be signed in good faith and [words indistinct]

[Reporter] Robert Malval says the opposing forces almost have no choice: They must accept Aristide's return or there will be chaos. What will the Army do after

the 30 October failure? It has lost an important ally. Will it lead with weapons, Prime Minister Malval wondered.

[Malval] *We have no choice, regardless of what actors are on the scene. We know that as a government we do not have many choices, but the Army does not have many choices either. As for us, we may have the choice not to be there. But let us admit that... let us look at what might be a darker way out of the crisis, that is: President Aristide cannot return on 30 October, the government is not there, then what? The Army will remain, with the same problems, which have now taken on an extraordinary proportion. The same conditions that made them go to Governors Island are [still] there, but worse, because in June they had allies on both the national and international planes, which they no longer have today. They should then tell us if it is with rifles that they are going to rule the country.* [end recording]

That was Robert Malval who granted an exclusive interview to Signal FM this morning.

Government Asks Legislators To Vote Submitted Bills

FL2010231793 Port-au-Prince Radio Metropole in French 1600 GMT 20 Oct 93

[Text] Here is a government clarification. The executive is bringing to the attention of the nation the fact that the president of the Republic, by convening the legislative corps in extraordinary session on 15 September, had asked the legislators to remain available until the session was over in order to convene other extraordinary sessions for the adoption of the 1993/94 budget, as well as bills provided by the Governors Island Agreement and the New York pact. The government makes a point of stressing that from the time of the extraordinary session until now, the parliament, contrary to the agreements made in point 2-A of the New York pact, has never been able to meet effectively to vote on the bills submitted by the executive, due to the atmosphere of insecurity.

In the mentioned pact, the parliamentary blocs had committed to guaranteeing a quorum by their attendance, and avoiding hindering parliament's activities. If the submitted bills have not yet been voted, the responsibility does not fall on the government, which submitted the bills and hopes for their adoption as soon as possible. And if the objective of the prior convocation is not carried out, can one speak today of a new convocation for any purpose? Thus continues the government in this press release. The government can in no way be held responsible for blocking the process of the Governors Island Agreement and the New York pact.

The government therefore invites Parliament to settle the vote of the submitted law before the other issues in Point 6 of the Governors Island Agreement can be implemented, including amnesty to the authors of the coup d'etat, as provided. By the same token, the government invites the public forces to fully assume their role of guaranteeing a favorable atmosphere of security, allowing the legislators to adequately fulfill their constitutional mission independently.

This press release is signed by Emile Jean-Baptiste, spokesman for Prime Minister Malval.

Rumors Circulate of Military's Inclusion in Government

PA2110021393 Madrid EFE in Spanish 0019 GMT 21 Oct 93

[Text] Port-au-Prince, 20 Oct (EFE)—Haitian Prime Minister Robert Malval is on the verge of expanding the government, according to a number of reports received by EFE today.

The situation arose today, the third day of mourning decreed by the Constitutional government to honor the memory of murdered Justice Minister Guy Malary and three of his bodyguards on 14 October. Businesses and schools in Haiti have been closed for three days, and the flag was flown at half-mast.

According to the political source that reported to EFE, following this mourning period, the government is on the verge of forming a crisis cabinet, which would remove the officials from their ministries. The members of government would meet permanently at the prime minister's residence, which is the government's temporary headquarters.

Meanwhile, rumors of a possible expansion of the government to include persons linked to the military have been circulating today in Port-au-Prince. Representatives of the so-called friends of the UN secretary general (France, United States, Canada, and Venezuela) reportedly had asked the prime minister for this expansion. The demand would be linked to the departure of General Raoul Cedras and Lieutenant Colonel Joseph Michel Francois from their posts.

Sources close to the government told EFE that the international community is not in any way pressuring for an expansion of the government to include sectors linked to the military. When questioned about the possibility of such pressure, the source said Malval responded: "To think of it is childish." William Swift, U.S. ambassador to Haiti, denied that his country had asked Malval to expand the government to include nondemocratic sectors.

In liberal sectors it is said that the prospect of a government expansion to include those sectors after the vicious murder of Malary would be an insult to democracy and to the other ministers in Malval's cabinet. An activist in Haiti's democratic sector who asked not to be identified told EFE: "On 14 October it was Malary; it could have been any other minister. How can anyone think of asking Malary's colleagues to sit down with their murderers?" Likewise, a constitutionalist parliamentarian told EFE: "If the military wants to continue ruling the country, let them do it with their weapons, just as they have been

doing since 30 September 1991. They should not try to make the democrats participate in their crimes. The military's blackmail is immoral. They have obtained everything during these past two years without granting anything," the legislator said.

Radio Stations Main Targets of Political Crisis

PA2010194093 Paris AFP in Spanish 1441 GMT 20 Oct 93

[Report by Jean-Luc Bardet]

[Text] Port-au-Prince, 20 Oct (AFP)—Haitian radio stations, the population's main information source, have become the main target of the ongoing political crisis, and they have been forced to strike a delicate balance between information reporting and prudence.

"Every time a regime falls or is about to fall the media becomes a target," said the person in charge of Radio Metropole, which has one of the largest audiences of the dozens of private radio stations in Port-au-Prince. Just like nearly every person interviewed, he preferred to remain anonymous.

Haitian media is one of the most varied in the world. Newspapers range from ultranationalist, which favor the military, to the left wing of toppled President Jean-Bertrand Aristide, to moderate newspapers like NOVELLISTE and MATIN. These publications, however, are reserved for the elite because most of the population is illiterate. "The authorities view the broadcast of news over the radio as the problem," the Radio Metropole source added.

After the Duvalier regime and years of bloody disorder that followed its downfall, radio stations have again experienced difficult moments since the 1991 coup d'etat against President Aristide. Felix Lamy, director of a private radio station in Port-au-Prince, was kidnapped shortly after the coup and never reappeared. Many radio stations were attacked.

At least two stations had to close in the capital, Radio Antilles after it was looted and Radio Haiti International after its building was fired at and it occupants received death threats. Radio stations in the countryside also experienced critical situations, and correspondents for Port-au-Prince stations were forced into exile. At Radio Lumiere, a station of the Baptist mission, reporters showed where bullets had hit and explained how some of the personnel had to hide inside its facilities to escape from the military men. Radio Caraibes was visited by armed men who threatened the station after it reported on violent actions against Port-au-Prince Mayor Evans Paul (who is pro-Aristide) to prevent him from entering his office.

There have been physical attacks as well. Those who are in charge of Radio Tropiques FM recall the beating and arrest of a reporter on Easter Sunday 1992 and the kidnapping of an employee the first week of February. The first measure is to set up shop in one of the top floors of a building whose main floor is protected by bars and guards. No measure, however, is more useful than lowering the tone, and thus, all stations are constantly repeating that they are simply reporting the news.

Radio Caraibes "does not make the news, it reports it," a station announcement says in Creole (a local language similar to French). "We report government actions without analysis or comment," a Radio Tropiques official said. "We only report the news because commentaries are not this station's business," said the person responsible for Radio Metropole.

Certain realities are very difficult to report. There is little talk about or there is only prudent talk about bodies on the streets and about Police Chief Colonel Michel Francois. Stations often cite reports on Haiti released by the international press. "Of course there is self-censorship," admitted Patrick Moussignac, director of Radio Caraibes. "This could be justified by a need to survive; otherwise, the radio station would be destroyed," he added.

St. Kitts and Nevis

Labor Party Leader Warns Against Election Interference

FL2110023193 Bridgetown CANA in English 2228 GMT 20 Oct 93

[Text] Philipsburg, St. Maarten, 20 Oct, CANA—Leader of the St. Kitts-Nevis Labour Party, Dr. Denzil Douglas, says a new labour party administration will ensure his country will play a more dominant role in the Organisation of Eastern Caribbean States (OECS) and the Caribbean Community (Caricom). But he added it would not encourage "active interference in the electoral systems of the various countries."

Douglas at a meeting Saturday of nationals of St. Kitts and Nevis resident in St. Maarten, accused prime minister Dr. Kennedy Simmonds of succeeding in requesting the OECS secretariat to have the summit of heads of government of the OECS in St. Kitts in November, "so that they can influence the outcome of the general elections." General elections are constitutionally due in St. Kitts-Nevis by March next year, but there is widespread speculation that a date could be announced within the next two weeks.

"I am using this forum to send a warning that the St. Kitts-Nevis Labour Party will resist any effort of any government within the region to interfere in the electoral politics of St. Kitts and Nevis," said Douglas. He said there were a number of heads of government of countries that are part of the Caribbean Democratic Union (CDU) who, when it is prudent for them, travel to another country where there is expected to be general elections and go on the political rostrum and assist their fellow prime minister or head of government.

"We do not take this very lightly at all, and we consider this to be political interference in the internal system of that sovereign nation," said Douglas. He added that although a new labour administration would work to enhance greater cooperation, "we must send a warning that we do not and will not accept any interference in the internal electoral politics of a country within CDU." The party leader said the good relationship between St. Kitts and Nevis and its Caribbean neighbours must be enhanced.

"We believe in strengthening the ties that bind us together in the Organisation of Eastern Caribbean States and the wider Caribbean Community (Caricom)," said Douglas, adding that at the same time, new horizons for Caricom should be pursued. He said countries were moving into megatrading blocs and the islands of the Caribbean were "too small to go it alone in this part of the world."

* Canadian Study Prefers GATT Over NAFTA

94ES0035A Toronto THE GLOBE AND MAIL in English 5 Oct 93 p B3

[Article by Drew Fagan, Parliamentary Bureau: "Study Blasts Free-Trade Deal; Real Decisions Now Made in Washington, Analysis for Nationalist Group Finds"]

[Text] Ottawa—The Canada-U.S. free-trade agreement (FTA) is transforming Canada into an "outer shell" as the real decisions affecting the country's future now are made in Washington, says a former Canadian trade negotiator.

In an analysis for the nationalist Council of Canadians released yesterday, Mel Clark finds fault with most provisions of the deal, and is equally critical of the proposed North American Free-Trade Agreement (NAFTA).

"Canada cannot continue as an independent nation if it remains in the FTA/NAFTA," Mr. Clark said. "The essence of the FTA/NAFTA is that it cedes to the United States and the corporate sector vital powers that provincial as well as federal governments have used to build an independent and humane Canada."

After focusing on provisions of the two deals including those covering natural resources, auto production, supply management and dispute settlement, Mr. Clark concludes that Canada has little alternative but to reject NAFTA and terminate the existing bilateral deal.

The official position of the Liberal Party, which is to improve certain provisions through renegotiation, is not tenable because the United States would use new talks to obtain even more concessions, Mr. Clark said.

"If we get a majority Chretien government, it will simply carry on implementing [former Prime Minister Brian] Mulroney's game plan for Canada: to make it a branch plant of the United States."

Mr. Clark was a senior Canadian negotiator during the Tokyo Round of world trade talks completed in 1979. He believes that Canada's economic interests would be better served if trade relations with the United States were based primarily on the rules set out among the 116 countries in the General Agreement on Tariffs and Trade.

In his study—partly financed by the Ontario government, which opposes the free-trade deals—Mr. Clark sets out a series of criticisms of the trade deals that parallel concerns expressed during the 1988 election by FTA opponents.

- That the deals do not provide guaranteed access to the U.S. market because they leave U.S. companies with virtual free rein to harass Canadian competitors. (When Canadian exporters such as lumber producers do challenge border barriers, he said, they face an expensive, time-consuming process that is stacked against them).
- There is the potential for massive, long-term exports of Canadian water.
- Canadian governments are prohibited from exercising control over domestic energy resources.
- Full protection for Canadian cultural industries is not provided.
- The powers of monopoly corporations, which are usually American, in areas such as patents and copyright are substantially strengthened.

"The most significant benefit Canada obtained from the FTA was the elimination of tariffs, but [that] was not a big deal because they had already been reduced to very low levels," Mr. Clark said.

"For Canada, the benefits provided by the FTA and NAFTA are infinitesimal compared to the costs. If the negotiation of these agreements had been military battles, they would have been the worst defeats in our history."

PRD Candidate Cardenas Explains Objectives

PA2010164093 Mexico City Canal 13 Television Azteca Network in Spanish 0515 GMT 18 Oct 93

[Interview with Cuauhtemoc Cardenas Solorzano, Democratic Revolutionary Party presidential candidate, by Renward Garcia Medrano in Mexico City on 17 October on the "Elections 94" program—live or recorded]

[Text] [Video shows a nine-minute report on Cardenas's biography and political career, with file footage of Cardenas at different stages of his life and of his father, former President Lazaro Cardenas]

[Garcia] We have reviewed some biographical data known to the public. I would like to go directly to your proposals. You are one of three presidential candidates with the best chance of becoming president. What are you proposing? What are you proposing to the country on economic, political, social, and international matters? Let's begin with the economy.

[Cardenas] Before getting into the proposals, I would like to thank Television Azteca for this opportunity. It has not been very common in all these years of political activity—which have been very intense because I have been immersed in it all the time—to have an opportunity like this for an open, direct, and free discussion on television. I seem to recall the last time something similar happened to me was in the early 1980's. I have not had this opportunity since then. I am very pleased that Television Azteca began this series that allows different political and personal views to be broadcast on this television station. This is something new, a change, which I welcome.

[Garcia] It is our greatest pleasure to do it, and we believe it is an important service to the community. So, welcome home.

[Cardenas] Thank you.

[Garcia] Let's get to the economy. You spoke at the ITAM [Autonomous Technological Institute of Mexico], and we noted that you proposed ten points. Some questions arose as we read your proposal. One deals with financing development. How do you plan to finance it or promote the financing of Mexico's development? With domestic savings? With foreign savings [ahorro externo]? How much with both of them? You and I know that domestic saving has dropped in proportion with the financing of investment. We have financed it with foreign savings. Will you follow this pattern? Will you change it?

[Cardenas] No doubt, part of the financing for development will have to come from national private initiative, meaning Mexican businessmen as a whole. We must change many things for that to happen. We must foster competitiveness and conditions different from the ones under which the banks operate now so ....

[Garcia, interrupting] [Question indistinct]

[Cardenas] I think it is imperative to lower the costs of financial intermediation to bring interest rates down and make loans available, which are fundamental elements for investment. I think it is possible to attract foreign investment from different places. We must make a major effort to diversify the foreign investment that may come to the country. It is desirable for foreign investors to come not just to purchase existing assets or to focus on the government's stock market or securities but also to begin new projects, especially in areas where they could better complement our economy as a whole.

[Garcia] And your policy to stimulate foreign investment, what do you plan to do about it?

[Cardenas] I think foreign investment will come if it finds political stability and confidence and if there is the certainty that we are fighting corruption at its root so foreign investors will not fall prey to extortion or have to pay extraordinary expenses that they cannot talk about, which happens often, taking into consideration that they are not just taking a risk with their own capital but are introducing activities that are useful to the country. I also believe that the state should have some intervention but not control over economic activities.

[Garcia] I would like to go back a little and ask you about foreign investment. Do you plan to amend the law on foreign investment? If so, how?

[Cardenas] We have been informed that the law is going to be amended. It will surely be amended based on the agreements that this government has found very difficult to negotiate, since the government does not seem to be the best negotiator. Let us see what comes out of that law, if indeed it serves to encourage foreign investment or encourage others to come from other areas and take risks along with us.

[Garcia] Is that what you would expect?

[Cardenas] What would we expect? After we create internal conditions for political stability, confidence in a government, and fighting corruption at its roots... [pauses] As a matter of fact, this last item would free up all kinds of resources because instead of lining the pockets of private citizens funds can be earmarked for economic activity and spent on social problems. We do not know how much these funds would amount to. Maybe they are 10 percent of project contracts, or a certain percentage of purchasing contracts or government supply contracts. We do not know how much would come out of this, but for sure there will be something. There is also the recovery of ill-gotten goods.

[Garcia] Since we're on the topic of corruption, I would like to ask about your experiences with this during your governorship of Michoacan? I suppose you fought corruption. Were you satisfied? What stumbling blocks did you encounter? How were project contracts awarded? Was there cronyism? Were your relatives involved? I would like you to tell us about it.

[Cardenas] Fortunately, there was none of that. We were able to handle things very honestly. None of my relatives was involved. I did not own a construction company, neither do my relatives. If they had, they certainly would not have improperly won any contracts. We fought corruption. I can say that none of the officials who assisted me is economically well off. I can also tell you that in a case when improper actions occurred, although the people involved had participated in my campaign, I had to ask Congress to remove three local deputies who went to jail for their participation in a shady car deal. I think that when the people at the helm want to enforce the law, they can. We can fight corruption from the top down.

[Garcia] Were you hurt by corruption when you were a government contractor? You were a contractor during the Diaz Ordaz administration?

[Cardenas] No, I wasn't. I was a contractor for a very brief time—a few months, I would say—in 1957 or 1958, after my graduation from engineering school. Later, my company did not do so well, but then I joined the public sector. So since 1959 I have worked in the public sector. I was never again active in a private construction company, and I do not have such plans in my professional endeavors.

[Garcia] My information was correct then. When you were a contractor, were you hurt by any corruption? Did you compete with other contractors? What was your experience from that side?

[Cardenas] It was the experience of somebody who was getting started. I was not awarded any major project. When the project [not further specified] began, which involved several friends of mine, I was out of the country for months, years. Let me repeat, we did not do well.

[Garcia] Where and for whom did you work?

[Cardenas] We worked for different entities. I remember we did a project for a local government in Baja California. We had minor projects in the oil business.

[Garcia] Let's say you did fine.

[Cardenas] No, we did so poorly that the company went bankrupt. Each one had to devote himself to whatever he chose at that time.

[Garcia] I steered us away from the topic of foreign investments because we got onto the topic of corruption. Please, let us continue with the first topic of stimulating foreign investment.

[Cardenas] Let me say again that I think the important thing is to create a climate in which there can be trust, where investments do not fall prey to extortion and where everybody knows we are trying to change the general conditions of the country so that whatever emerges is attractive—competitive at home and abroad. I think that unfortunately neither national nor foreign private investment will suffice, considering the lags that exist in different areas of production, which have a social aspect, of course.

[Garcia] Since they are not sufficient, what will you do?

[Cardenas] I think we must renegotiate, try to renegotiate, the foreign debt.

[Garcia] Will it be a formula similar to the one this government used at the beginning of...

[Cardenas, interrupting] One would have to see what the possibilities are and if we can negotiate with other Latin American countries whose governments will also change. I hope to have a joint negotiation with the democratic and independent governments that will emerge in a large number of Latin American countries after elections in 1993 and 1994. I think we can in some way ease the burden of servicing the foreign debt and gain two or three points of our domestic product, which will be a significant resource that we can earmark for productive activities.

[Garcia] On the foreign debt, do you recall that proposals, ideas, or trends that favored joint negotiations caused alarm among creditors? Are you not concerned that joining other Latin American countries could make your negotiations more difficult?

[Cardenas] I don't think so, but let's see what happens. I don't think so because these will be governments with which we can agree. Creditors are ultimately interested in finding a way out of the problem, since this problem seems unsolvable if handled the way it has been.

[Garcia] What will the objectives of this new renegotiation be? What are your expectations? What will you tell the country in the end?

[Cardenas] Ultimately, I will be able to tell the country that we were able to lower the principal significantly or were able to lower interest rates—in sum, that we were able to reduce the foreign debt burden substantially to free up resources for spending on economic activities. We would try to make these activities the key factors in reactivating a more balanced and adequate development. We must also obtain resources to take care of social problems. Education, health care, and infrastructure have been devastated for all practical purposes through 12 years of neglect.

[Garcia] You favor renegotiating the foreign debt and are therefore financing development with foreign savings—I mean domestic savings. At ITAM, you discussed fiscal reforms. I suppose you are thinking of a progressive fiscal reform, charging more of those who have more in order to finance those who have less. I assume this.

[Cardenas] You're correct.

[Garcia] Will you impose exchange controls to avoid the flight of capital, as happened to former President Echevarria?

[Cardenas] We haven't thought about that. I don't think that this would be the policy we would implement at the beginning.

[Garcia] How would you stop capital flight should there be a progressive fiscal reform?

[Cardenas] I think any capital flight will be determined by levels of confidence.

[Garcia] We're talking about reducing profit rates. Will confidence be enough to make people accept a lower profit margin?

[Cardenas] That's possible. That's possible. I don't see why catastrophes have to occur with a change in government. I don't see it that way.

[Garcia] We're talking about fiscal reforms. You want to change the fiscal system. You would levy stiffer taxes on those who have more assets. The logical thing would be for these individuals to go elsewhere, whether they be nationals or foreigners. How will you prevent them from leaving when you impose more taxes on them?

[Cardenas] By making investment in the country attractive.

[Garcia] With profits?

[Cardenas] With profits.

[Garcia] How would these profits be generated?

[Cardenas] Through productive projects that are properly designed and executed; projects that are properly planned and executed in the short, medium, and long term.

[Garcia] In sum, you would improve technically or promote the...

[Cardenas, interrupting] I think one has to seek efficiency in implementing joint ventures, (?no doubt).

[Garcia] What changes will you make to finance social programs? What changes will you make in the scope of social programs?

[Cardenas] Undoubtedly, we must concern ourselves with social issues like education, which has a very low budget and has traditionally been allocated one of the lowest budgets in terms of our domestic product, and health, which follows the same pattern. We would have to think of a medium or short term, or a period that is as short as possible, to raise investment in these sectors at least to the level recommended by... [pauses] and to levels we once had in this country. We should earmark 7 or 8 percent for education, 4 or 5 percent for health. I think this is possible if we reorient public spending and eliminate waste and some unnecessary government entities, such as the Comptroller General's Office.

[Garcia] [words indistinct]

[Cardenas] It could be the... [pauses] or a redistribution which would be the most advisable.

[Garcia] I feel that deep down these proposals inevitably entail greater spending, greater public spending? How will you lift the pressure of inflation?

[Cardenas] With investments and with the reactivation of domestic markets, not just the...

[Garcia, interrupting] If demand goes up, so does inflation. How will you curb inflation, looking at it from the other side of the equation?

[Cardenas] I think we do this based on production and productivity, and by striking a balance among different sectors by reducing our trade deficit so that we do not have the situation that exists now in which the currency is overvalued and we are financing abroad to the detriment of...

[Garcia, interrupting] Will you devalue the currency?

[Cardenas] We are not proposing a devaluation. I think this government is leading us to a devaluation. It is not a measure we would encourage.

[Garcia] But will you put the currency...

[Cardenas, interrupting] We will avoid it if we can.

[Garcia] At any rate, does your government—your possible government—have an anti-inflation plan? Is it an overall plan to curb inflation?

[Cardenas] I feel all these measures would be part of the plan—namely increasing productive investments, implementing fiscal reform, establishing a fiscal system that is more equitable and competitive. That is, not having taxes different from those countries with which we exchange goods, reviewing rates and taxable items to make our system more competitive, streamlining or eliminating the terrible tax discrepancies, eliminating what are often very heavy burdens for small farmers, merchants, businessmen—often they are not so small—since with all these changes introduced in the fiscal legislation they are facing many complications and expenses that we would have to think of a way to lower. We would have to consider the taxpayer a taxpayer, not a delinquent. This must also be very important in the climate of tranquility and confidence that may be created.

[Garcia] I surmise from your reply that you would transform or propose a transformation of income distribution mechanisms. You would create a more equitable distribution.

[Cardenas] I am indeed committed to that.

[Garcia] Does this not discourage investment?

[Cardenas] I hope not. I hope not. This isn't the first time that social changes would be made in Mexico. Some

capital might leave, but most of it will stay here in the end, and more might arrive under the new conditions.

[Garcia] Some people in your party publicly proposed a return to a state economy, with state enterprises, expanding the state's direct participation in production. What's your proposal?

[Cardenas] I am not familiar with those proposals. They are often fabricated. At least, I haven't seen them.

[Garcia] The document issued by the group that proposed Senator Munoz Ledo as the president of your party is specific about this point.

[Cardenas] That's not the party's platform, at any rate.

[Garcia] That means you don't agree with it.

[Cardenas] I don't agree with it. I do not believe in setting our sights on the past or with considering protectionism or nationalizing companies just for the heck of it. I also do not think we have to privatize companies for the heck of it. Those are economic mechanisms that must be implemented for specific purposes.

I do believe that the state must play an overseeing role in checking for flaws, whether economic or social, ensuring that productive institutions take advantage of all the progress that can be secured through scientific research, technology, etc. This does not mean that we believe that the state must become the owner of companies or that it should be the only one allowed to participate in productive activities.

I believe, to the contrary, that the state must provide support for private and social investment that would boost the economy, that would reactivate the economy. It is necessary that they share the risks. The state must facilitate the securing of credits, facilitate access to the best technology, implement training programs for workers at all levels—management, labor—and better support productive activities by developing the educational sector, etc.

[Garcia] In looking at things that may or may not agree with some currents in your party—a party where issues and differences of opinions are discussed, as has been said and is well-known—the president of your party recently proposed or said that approximately 40 observers or leaders from socialist parties will come to the elections. There is talk about the advisability of having observers from the United States and other countries come to Mexico to observe the elections. What are your feelings on this?

[Cardenas] I think if there is nothing to hide; anybody who wants to come may come. Whenever there are electoral processes—I would not say questionable like ours—where the outcome is a foregone conclusion because of corrupt practices of fraud and manipulation, the way to create confidence, if the goal is to have an honest elections... [pauses] Without political commitment... [pauses] Observers, regardless of where they come from or regardless of how many or how few come, will do nothing without political commitment.

I think that if the state has the political will, elections could be open for inspection by whoever is interested from the moment they begin until the moment votes are cast and the final results are announced, if there is nothing to be hidden.

[Garcia] You said that anyone could come. Please be more specific. Would you just permit the presence of observers, or would you promote the presence of observers as [words indistinct] does?

[Cardenas] Considering that observers observe and that the authorities are the only ones who can do or undo electoral matters in Mexico, that the Mexicans can present parties and candidates and file appeals and challenges, etc., I think that it is suitable to promote the presence of observers. We are doing it, and we will continue doing it.

[Garcia] Mr. Carter and a group of distinguished U.S. citizens plan to come and observe the elections. Meanwhile, the United States has imposed its blockade on us in Texas. Blockades are imposed by countries at war. The governor of California has enacted four laws against undocumented Mexicans. The U.S. Congress has slandered the Mexicans in general. Do you think that people from that society could be legitimate observers?

[Cardenas] I see in this the failure of the Mexican negotiators headed by Carlos Salinas. There is talk of a Free Trade Agreement. The Mexican Government has been told that the only issue that will not be discussed—and the negotiations have practically concluded, according to what has been said—is the flow of immigrants, the most important exchange between the two countries. The most important exchange does not involve minerals, manufactured products, or assembled products, but the labor force—13 million Mexicans who are in the United States and whose salaries amount to more than any exchange of goods.

As I see it, this makes evident this government's ineptitude in negotiating what should have been handled as the most important issue.

[Garcia] This means that you think the operations, opinions, and laws of the governor of California flow from irresponsible behavior by President Salinas.

[Cardenas] No. Not at all. I do not think the Mexican Government is responsible for that. I do believe that the Mexican Government should have established that this is a most important issue in relations between Mexico and the United States and should not have permitted the subject to be ignored. We know that ignoring a problem is no solution. Problems must be tackled. Common interests must be sought and adequate solutions must be found so that the rights of the Mexicans abroad can be

defended, so that there are guarantees that they will not be abused, so that there is job stability on both sides of the border.

[Garcia] We were talking about observers. I asked you if you find the people from that society could be legitimate observers.

[Cardenas] In the context in which you present it, I would have to ask: Shouldn't this government break relations with the U.S. Government and sever cultural, tourist, and other ties with the United States? I don't think this is the way. I think that negotiations is the way. I think that when people talk they understand each other, but they must speak well, with patriotism and defending their own interests.

[Garcia] Would you grant that society observer status?

[Cardenas] I would not give that status to members of the border patrols. I do not think Carter is going to come as a sheriff or that he is patrolling El Paso—please correct me if I am wrong.

[Garcia] Please correct me if I am wrong, also, but I believe that Mr. Carter has assumed the role of custodian of democracy in Latin America.

[Cardenas] He is not the only one. There are many academicians with high moral values and people from non-government organizations. We are thinking about this people. We are not thinking about people who have links to government agencies. Mr. Carter does not go to a country unless he is invited by the government or by all the political parties. In this case, we are not considering him as an observer. We are thinking about people we have met—labor leaders, nongovernment human rights organizations, etc.

[Garcia] You are giving me the scoop that Carter will not be invited.

[Cardenas] No, I am not giving you that scoop yet. He only comes when he is invited by a government. We are not in the government.

[Garcia] Isn't the supervision of the Mexicans enough? This is established by law. Do we need foreign observers?

[Cardenas] We do not need it, but it doesn't hurt if we have nothing to hide. No one is coming here to tell us what to do. We will not accept this from any one. However, let them come to observe us, to greet us, to see that we do things right. This should not arouse any fear in us.

[Garcia] Do you know that they watch the Nicaraguans and the Haitians to see if they do things right, but they do not observe the French or the British or the North Americans?

[Cardenas] Observers go to those places too. PRD [Democratic Revolutionary Party] people went to the United States to observe the elections there.

[Garcia] And this observation had the same political significance?

[Cardenas] Yes. We were permitted to see everything.

[Garcia] I am referring to international political significance.

[Cardenas] We were allowed to observe everything.

[Garcia] Did you concur with the election processes there in the same way U.S. observers concur or do not concur with our election processes?

[Cardenas] According to the information provided by the Mexicans who went there—not only PRD people went—these Mexican observers did not encounter irregularities. Had they found any, they would have pointed them out.

[Garcia] Your point of view on this is clear. Now I'd like to discuss the Free Trade Agreement. If you become president, would you reopen treaty negotiations?

[Cardenas] First you have to tell me whether we are going to have a treaty. We still don't know what's going to happen.

[Garcia] There is a document.

[Cardenas, interrupting] There is a document, but it has not been approved. We don't know if it's going to be approved in December. We are interested in good relations with the United States. We are calling for an agreement that is more ambitious than this treaty. We are interested in very good relations with the United States, in equitable trade. I think this can be done.

[Garcia] Supposing that the treaty is ratified, would you reconsider it or does the broader relationship you mentioned include this treaty?

[Cardenas] The negotiations continue. Talks on citrus fruits and other things have been initiated despite the fact that supposedly the negotiations were closed. Let's wait and see what the final result is; let's wait and see if at the end some harmful points are introduced or if the deadline for exporting some products is extended or if some ecological condition is set. We would have to reinitiate negotiations if it becomes necessary. Otherwise let the treaty make progress. The more the better.

[Garcia] You are waiting for events before adopting a definitive position.

[Cardenas] We are waiting to see first if the treaty is approved, if the U.S. Congress approves it. I don't know if the Mexican Congress will be discussing it. I don't know if this government will send the treaty, whose text is already complete, to Congress on 1 or 2 November so that the Mexican Congress may discuss it, so that the Senate may debate the Free Trade Agreement, regardless of what happens in the U.S. Congress. We don't know if Mr. Salinas will wait until the U.S. Congress approves it

before allowing the Mexican Congress to undertake discussions. We don't know what's going to happen.

[Garcia] Let's talk politics. You have been nominated candidate. You are certain that you are going to win the election. Have you considered the possibility of losing?

[Cardenas] All elections produce two results. I think that the chance for victory is greater.

[Garcia] We have discussed some aspects of your government platform in case you win. If you lose the election, would you acknowledge the victory of the Institutional Revolutionary Party or of the National Action Party?

[Cardenas] I see this possibility as very remote. But if their victory is legitimate, a result of real votes from real men and women, I would be the first person to acknowledge such a victory.

[Garcia] How will you decide if a victory, yours or anybody else's, is legitimate?

[Cardenas] There are ways of knowing how an election has been conducted. We can follow up an election process and the voting process too.

[Garcia] You view electoral officials as valid authorities.

[Cardenas] I believe we have to function within the current legal framework. We can be critical of it, though. I think that electoral tribunals are not entirely legitimate, but there is no other electoral tribunal system.

[Garcia] If the electoral officials say you lost, would you accept that the same as if you were told that you won?

[Cardenas] If they report with basis on votes, on the truth, yes. Otherwise, no.

[Garcia] Who is going to decide whether there was a good basis?

[Cardenas] The people will judge.

[Garcia] Society is organized as a state.

[Cardenas] There are news reports, information as to how elections take place; there is prior evidence. If you find that only a couple of people go to our rallies then you may say: This is not going to work. However, if you see large mobilizations, how things are happening, then you get certain ideas. These ideas have to be confirmed by election results.

[Garcia] In support of what you have said, your nomination was not set up by only a couple of people...

[Cardenas, interrupting] No. Excuse me. No. Your remark is somewhat ill-intentioned.

[Garcia] Not at all.

[Cardenas] Internal PRD dynamics produced me as the sole nominee.

[Garcia] Of course.

[Cardenas] The dynamics both within and outside the party, in the framework of democratic endeavors, made me the party's candidate. It is not that there were only one or two people.

[Garcia] I was not referring to that. I was referring to what you said about evidence to decide on whether electoral evaluations are correct or not.

[Cardenas] Obviously, the number of people who could have been at the ceremony at which I was sworn in is not an indication of what a [word indistinct] movement is. We are going to visit the entire country. We are going to check evidence from other parties. Numbers and percentages have to match.

[Garcia] This means that you are questioning electoral tribunal results before you even get them.

[Cardenas] I do not question the results of the electoral tribunals. I question the fact that we go to elections in the framework of a restrictive, fraudulent, and biased electoral register that is fraudulent in spite of identification cards showing pictures of voters. I have seen pictures of dead people, several copies of the same picture. I have seen Federal District registers where 33 percent of the registered voters are irregular in some way.

[Garcia] You said 33 percent, sir. Do you have any evidence of this?

[Cardenas] Yes. We have conducted a study.

[Garcia] I think it should be reported to the authorities.

[Cardenas] This has been done, but the authorities are not interested in [words indistinct] or in the irregularities of the electoral register.

[Garcia] You say that 33 percent of the electoral register is faulty.

[Cardenas] More or less.

[Garcia] Don't you think this will lead to very difficult elections that could produce violence?

[Cardenas] During the years we have been involved in national political activities, we have been involved not because of votes. We can say that. We have not done what we have done to see if we can secure a majority in a municipality, or a district, or a state. We try to see if we can develop respect for votes. We are way behind political systems where votes do count. We are behind in our civic and political development.

[Garcia] Don't you think this could unleash violence?

[Cardenas] I don't think so. I have seen violence unleashed against the PRD. Many good companeros have been lost because of this violence. We have never engendered violence against others.

[Garcia] You remember Pedro Pau Lurios, who kidnapped national PRD leaders. You know that a masked man and others attacked the legislative palace. This is violence. Do you disapprove or approve of it?

[Cardenas] In the first case, that person is no longer in the party. In the other case, it was not a masked man. It was Super-Neighborhood [Superbarrios]. This is a popular symbol in several places. I have doubts as to how events actually occurred. I think that the interests of 33 percent of the people from the Federal District were being stepped on. Then we all expect the people to remain quiet.

[Garcia] There was violence.

[Cardenas] I think there was a mild confrontation. No one died, and no one was injured.

[Garcia] This is how you would describe the break-in at the Legislative Palace.

[Cardenas] According to the information we have, that eruption was provoked by government people.

[Garcia] Would you call your party membership to a civil confrontation over the election?

[Cardenas] We have always acted in accordance with the law and the civic recourse provided for in the Constitution.

[Garcia] Can this country aspire to sleeping well the night after the election even if election results are adverse for you? For example, what happened in Michoacan will not happen?

[Cardenas] Nothing happened in Michoacan. What we saw was a post-election conflict resulting from violations by the authorities. In 1988, in spite of the intensity of protests and the reaction, there was no incident. The people do not want confrontations. We oppose violence and unlawful methods, but we do want respect for the law and for votes.

[Garcia] One concern I have after our exchange of the last few minutes is that rulings by electoral tribunals, which are legal institutions grounded in the Constitution, could be subject to the opinion of a candidate or of a party.

[Cardenas] No. They are not subject to the opinion of a candidate or of a party. But we must recall how these tribunals are formed. Members are proposed by the executive branch; they are approved by a congressional majority composed of unconditional subordinates of the executive branch. There is no balance there. There is no independent opinion. These tribunals, like all tribunals in the country, not only electoral tribunals, function along certain lines. There is intrinsic corruption in those tribunals.

[Garcia] You would disqualify Congress as a body for passing laws?

[Cardenas] No. We have no other Congress. I do not disqualify Congress. As I said, we have to work on the legal framework that exists to recover legality.

[Garcia] I hope I have understood you correctly. I understand that you will campaign within constitutional and legal order and accept the results. We then do not have to expect acts of violence that do not serve the interests of your party or your opponents, and much less the country.

We are honored that you agreed to grant us this interview. You have spoken freely, and you have answered our freely asked questions. This brings honor to you. Television Azteca is pleased you were with us. This has been a first program in a long series. Thank you, sir.

[Cardenas] I thank you for this opportunity. I thank Television Azteca for this opportunity to inaugurate this series. I hope it has been useful and fruitful in creating awareness in the country about the importance of participating in political life and of an open media in the service of objective information.

[Garcia] Thank you, sir.

Salinas Speaks at Dinner for Czech Prime Minister

PA2010163293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 19 Oct 93

[Report by Melina Villasana; from the "Good Morning From Mexico" newscast]

[Text] During a dinner in honor of visiting Czech Prime Minister Vaclav Klaus, President Carlos Salinas de Gortari said: It is essential that the vision of a world with open economic regions prevail to give new dynamism to world trade and to dispel the voices of open or veiled protectionism, voices that come from the past.

[Begin Salinas recording] This is what we promote in the agreements we have negotiated with Latin American countries, the United States, Canada, the EC, and Asian Pacific countries. In this way, the voices of open or veiled protectionism, voices that come from the past, will be kept away from the tasks that await us to improve our peoples' standards of living. [end recording]

President Salinas stated that Mexico, following a policy of diversification of its relations, wants to get close to the processes being carried out in Europe, with the desire to increase trade and expand cooperation between Mexico and central Europe, particularly the Czech Republic. During the dinner, which was held at the Manuel Avila Camacho Room of the Los Pinos official residence and was attended by secretaries of state, businessmen, and diplomats, President Salinas stressed the transformations and the separation of Czechs and Slovaks as an example of civility and wisdom in a world in which intolerance is being revived after the end of the Cold

War. The Czech people, he said, are writing a new page in their history which began on the first day of 1993.

Vaclav Klaus emphasized the similarities in the radical economic and political reforms undertaken by both countries.

[Begin Klaus recording in Spanish] Thanks to the economic policy implemented by you Mr. President, your country has registered for several years economic growth levels that are a dream for several developed nations. It is a country that in recent years has achieved admirable political and economic results, becoming a paradigm for several countries. [end recording]

In the second day of his visit to our country, the Czech prime minister held a meeting with President Salinas, during which he presented a letter from Czech President Vaclav Havel who expressed his admiration for Mexico's political influence and standing in the world. Later, Mexico City Mayor Manuel Camacho Solis presented the prime minister with the keys to the city. The Czech prime minister then held a news conference.

Czech Premier Speaks on Benefits of Free Trade Zones

LD2010123693 Prague CTK in English 0732 GMT 20 Oct 93

[Text] Guadalajara, 20 Oct (CTK)—Russia is only at the very beginning of its post-communist era and must still take many steps in order to become a normal, stable country, Czech Prime Minister Vaclav Klaus told Mexican journalists yesterday.

Klaus, who was awarded an honorary professorship at the university here, said, I believe that the recent events in Russia will contribute towards this positive development.

After arriving here on Tuesday, Klaus met with local businessmen and with the governor of the state of Jalisco and opened an honorary Czech consulate here. As on his earlier visit to Mexico City, Klaus spoke out against the protective measures of advanced countries and in favour of free trade. Free trade zones cause complications for some firms, but all citizens certainly profit from them... Just as you need a free market with the United States, we also need a free market with advanced European countries. In no case do we want to be left by the wayside, but on the other hand... We do not want to lose our national identity, Klaus said.

In Mexico City on Monday Klaus said that the Czech Republic was interested in creating a free trade zone with Mexico. In his address to businessmen today, he said that he had never considered the slogan of Czechoslovakia's velvet revolution, Back to Europe, to be completely correct, and had always corrected it as back to the world. This, he said, was particularly important to remember in a country as far from the Czech Republic as is Mexico.

Mexican businessmen and officials showed great interest in the Czech Republic and events there. Jalisco Governor C. Rivera Aceves praised the peaceful method of separation of the Czech Republic and Slovakia, and also noted that the Karlovy Vary film festivals were followed with great interest in his state. The businessmen also praised the economic and political stability of the Czech Republic and the results of economic reform.

Klaus arrived in Mexico on Sunday, meeting with President Carlos Salinas and several cabinet members in Mexico City. He will conclude his visit to Guadalajara today and depart for Cancun, where he will attend a meeting of the International Chamber of Commerce. He will depart for Germany on Thursday.

Foreign Secretariat Reports 'Operation Blockade' Conclusion

PA2010143093 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 20 Oct 93

["Bulletin No. B2000-245" issued by the Foreign Relations Secretariat in Mexico City on 19 October]

[Text] The Foreign Relations Secretariat takes note of the statement issued by the U.S. Immigration and Naturalization Service regarding the conclusion of the so-called Operation Blockade.

The Mexican Government reiterates its position regarding these types of operations. They are unilateral decisions that seriously harm the operation of border posts and the good understanding between the local communities that are adversely affected.

This position will be taken to the binational commission meeting on immigration affairs, which was announced by the Foreign Relations Secretariat yesterday.

Salinas Urges Resistance to 'Protectionist Pressure'

PA2110045393 Mexico City NOTIMEX in Spanish 2204 GMT 20 Oct 93

[Report by Olga Aguilar]

[Text] Cancun, 20 Oct (NOTIMEX)—Mexican President Carlos Salinas de Gortari said today that the world process for free trade is facing protectionist pressure. Salinas spoke at the inauguration of the 31st annual International Chamber of Commerce (ICC) meeting.

The Mexican president said that the globalization of products and productive processes and the encouragement of free trade face strong protectionist pressures. In the face of that situation, "free trade is one of the main topics on the agenda for the end of the century," Salinas said before 230 international businessmen meeting in this Caribbean beach resort in the southeastern Mexican state of Quintana Roo.

While asking the businessmen to sponsor free trade, the president said that despite encouraging world trends, there are "contradictory signs, and we often witness bits of intolerance and racism that we had thought were overcome." In this trend toward global trade, Mexico introduces changes to political, social, and economic relations, Salinas de Gortari said when pointing out that undoubtedly the most important thing is the way Mexicans "want to relate to the rest of the world."

Far from rhetoric and close to facts, Mexico is making definite agreements to move ahead to create open and broad areas in our continent, the president added. Consequently, he said, "if the North American Free Trade Agreement is ratified, we will have formed the world's largest commercial area among sovereign countries."

Mexico diversifies its markets, and in addition to the U.S. trade agreement, which will allow clear trade rules in accordance with traditional trade, Mexico is entering into agreements with Central America, South America, Asia, Europe, and the Pacific Basin, Salinas de Gortari said. In fact, Salinas de Gortari recalled, Mexico has already signed and implemented the first free trade agreement between Mexico and Chile, which served as a model for similar agreements that will soon be signed with Colombia and Central America.

During the ceremony, Salinas de Gortari delivered the triannual CIC business prize to Roy Vagelos, president of the Merck and Company corporation. Vagelos said in his speech that he hopes the U.S. Congress approves the U.S. trade agreement and added "a vote in favor of the agreement is a vote in favor of realism and economic freedom."

The U.S. trade agreement, already approved by the Canadian Parliament, must be ratified by the U.S. and Mexican legislatures before it can go into effect on 1 January 1994.

* Rubio Urges Accelerated Economic Reform

94CA0010A Mexico City LA JORNADA in Spanish 24 Sep 93 pp 1, 7

[Commentary by Luis Rubio, political and economic reform advocate and director of the Center of Research for Development: "The Future of the Economic Reform"]

[Text] The economic reform reached a new threshold in 1993. On the one hand it experienced its first recession since the process of reform began. On the other, it became the target of criticism and complaints from businessmen who were being hurt by it. Although many of the complaints, some arising from the recession and others from a failure to adapt, are clearly legitimate, the interesting thing is that practically none of them calls for a return to the past. That is to say, many businessmen (and no doubt many government officials) would like tariffs raised "a little" and would like the government to spend "a little bit more," but the fact of the reform itself is being questioned less and less. This in itself represents progress, but the problems ahead will probably be very serious ones, much more serious than those of the recent past. Without further reform the economy is not going to expand steadily, and this would harm a great many interests.

Also, 1993 is a key year because the future viability of the economic reform will be decided during it. The presidential succession will inevitably influence the reform, inasmuch as its future will continue to depend on the vision and willpower of the new administration. Perhaps in six years the reform will have ceased to be a process and become a tangible reality, but the fact is that at this juncture the decisions and actions needed to complete the reform and make it sustainable, decisions that are perhaps harder than any yet made, have yet to be seen.

When all is said and done, the reform is like a bicycle that one has to keep pedaling all the time. Anyone who has ridden a bicycle knows well that on level ground there are only two choices: either you keep pedaling or you fall. The same goes for the reform: its dynamics are such that you have to keep pedaling without interruption or else it falls apart. Now that we are in difficult times, both because of the recession and the failure of a great many businesses to adapt, the reform has to accelerate and intensify if we do not want it to fail completely. Returning to the bicycle analogy, the ground has ceased to be level, which means that we have to pedal faster and faster. Raising tariffs or outlays "a little" means shifting into reverse and running the risk of losing the whole bicycle.

The presidential succession influences this process because the economy has not been altogether shored up. There are still a huge number of governmental areas and activities in which high-handed decision-making prevails. The parastate enterprises are far from being sources of opportunities; rather, they remain huge impediments to the competitiveness of Mexican industry. Our judicial institutions and institutions for resolving conflicts (such as bankruptcies and labor disputes) are completely out of touch with current realities. These are just a few examples of the shortcomings that subsist in the Mexican economy and that the reform has not managed to touch. To the extent that the decision to move ahead with the reform process depends on the presidential succession, its importance will become extraordinarily magnified.

The fact is that the country is entering a very peculiar stage of its political and economic history. Simplistically put, the reform has consisted of an extraordinary transformation of the environment in which businesses operate, as they have been forced to change their way of producing, selling, etc., and this has altered all patterns of behavior among workers, government, and employers throughout the economy. At the moment, a number of companies have already adapted remarkably well to international competition. Others, however, have not,

whether because they are not able to or because nothing in their surroundings encourages such change while much still thwarts it. This situation could bring the reform down much more easily and quickly than one might imagine. Many social players (businessmen, leaders, workers, politicians) are wagering that the impediments to change are going to wind up destroying the reform. This may be an unintelligent wager, but the fact that it exists shows that the reform is far from consolidated.

Although the argument that the entire reform ought to be brought down so that we can return to an idyllic yesterday is rarely heard, the claim that we can change the main variables in the economy "just a little bit" to solve the country's problems overnight is common. What must be done urgently is not to spend a little more or a little less or raise tariffs a bit more or a bit less, but rather to step up the pace of reform by affecting the institutions and entities that are not conforming to it.

Nothing can save the reform except more reform, just as there is no way to keep a bicycle upright except by pedaling. The succession is going to determine whether more reform is possible or whether we are going to settle for something that has neither been finished nor brought the long-awaited results. In this regard, reactivating the economy is one thing, this being an issue on which all economists, especially government economists, seem to be working hard. But it is a quite different thing to decide what is going to enable the economy to achieve high enough growth rates to solve the problems of unemployment and income among the population. This issue has to do with further reform, not with temporary measures. For this reason 1993 will wind up being the key year of the reform.

Turkey's Ciller Concludes U.S. Visit, Arrives in Mexico

TA2110080893 Ankara TRT Television Network in Turkish 0600 GMT 21 Oct 93

[Announcer-read report over still of Prime Minister Tansu Ciller]

[Text] Prime Minister Tansu Ciller concluded her visit to the United States and proceeded to Cancun in Mexico. Ciller was received at Cancun Airport by the deputy governor of Mexico's Quintana Roo State and Turkish Ambassador to Mexico Nurver Nures. Ciller will attend the annual meeting of the International Chamber of Commerce to be held in Cancun.

Costa Rica

Government Resists U.S. Pressure to Increase Compensation

PA2110025293 Paris AFP in Spanish 1916 GMT 20 Oct 93

[Text] San Jose, 20 Oct (AFP)—Official sources reported this Wednesday [20 Oct] that Costa Rica is resisting U.S. pressure to increase compensation for the expropriated property of a U.S. citizen who rejected the amount set by an arbitration court.

Roberto Rojas, economy and foreign trade minister, said the government will pay the compensation established by the courts and that "when this case is studied, they will notice that separation of powers also exists in the United States. I think it will be very difficult to be punished for a case that has been ruled upon legally."

According to a letter sent to the Presidency Ministry by U.S. Charge d'Affaires Joseph Becelia, the U.S. Government has threatened to suspend economic aid and the custom benefits included in the Caribbean Basin Initiative if the Costa Rican Government does not negotiate directly with U.S. citizen Robert Stone.

Stone's claim, which is backed by the U.S. Administration, is over a 499-hectare estate that was expropriated in 1978 and made part of a Costa Rican Indian reservation in the Pacific area.

During the arbitration process, which was accepted by both parties, the Costa Rican courts ruled in 1992 that compensation for the expropriated property would be approximately $305,842. Stone, however, rejected the ruling and demands to be paid approximately $9.5 million. Last September, the Supreme Court rejected Stone's appeal and ratified the arbitration court's ruling, which is final and not subject to appeal.

The letter from the U.S. Embassy states: "We understand the separation of powers in your country. However, we hope you will understand the clear inadequacy of the ruling and that you will now negotiate directly and justly with all the plaintiffs, including Mr. Stone." The letter was dated 6 October, and its contents were revealed to the media on Wednesday.

President Rafael Calderon and other ranking government officials have reiterated that they will respect the arbitration court's ruling, as this is a country of rights, and that they will inform the U.S. representation of their decision. Minister Rojas said he does not believe the conflict will hinder negotiations for a free trade treaty. He also stated that Costa Rica has one "of the best" environments in Latin America for U.S. investments. The fact that such investments totalled approximately $200 million in 1992 is proof. It is the "highest" is the region in relative terms.

Ambassador on Relations With United States

PA2110034993 San Jose LA NACION in Spanish 10 Oct 93 p 5a

["Excerpts" of an interview with Gonzalo Facio Segreda, Costa Rican ambassador to the United States, by Nelson Murillo on 9 October; place not given]

[Text] Gonzalo Facio Segreda, Costa Rican ambassador to the United States, said that Costa Rica is the cradle of the solidarity movement, and that is why the United States "has us in their sights."

He stressed that with the end of the Cold War, the United States no longer affords Costa Rica special treatment because democracy is the rule and not the exception.

Facio believes it "unfair" that Costa Rica should appear listed among those countries that violate workers' human rights because the U.S. Commerce Department accepted a lawsuit by the AFL-CIO over alleged lack of union freedom.

In Facio's opinion, the fact that the Constitutional Court recognized union privileges [fuero sindical] the day before yesterday by accepting a writ of amparo in favor of three Cocobola Banana Co. workers strengthens the "Tico position" to face this charge in Washington.

Here are excerpts of an interview that the ambassador granted to LA NACION yesterday.

[Murillo] How do you describe our relations with the United States in the context of the union lawsuit?

[Facio] The truth is that one cannot say relations have deteriorated over this incident, because what has happened is a normal incident. There is a change in U.S.-Costa Rican relations because circumstances have changed. There is no longer a Cold War. Now democracy is the rule rather than the exception.

[Murillo] Do you believe that relations with the United States have ebbed because of President Rafael Angel Fournier's attack on President Clinton over alleged meddling in domestic affairs?

[Facio] No, no. President Calderon reacted emotionally and annoyed because he thinks the decision to place Costa Rica among violators of workers' rights is unfair. I think the United States has us in their sights because Costa Rica is the cradle of the solidarity movement, and they (the U.S. trade unions) believe that we represent a threat to their existence. That position is mistaken, because solidarity associations and trade unions can live together.

[Murillo] Do you share President Calderon's view that the United States is arrogant for having accepted a labor lawsuit against Costa Rica?

[Facio] I say it is an emotional reaction by the president. The United States is a superpower and it acts like one.

[Murillo] But do you back Calderon's position?

[Facio] I understand and share it with that explanation. Many people feel personal indignation.

[Murillo] Do you think Costa Rica should have a more conciliatory attitude toward the United States?

[Facio] Both sides need a more conciliatory attitude, because sometimes U.S. officials do not speak or act in a conciliatory manner and are arrogant.

[Murillo] Can one interpret this as a reprisal for the expropriation of the Santa Elena hacienda and other farms in the hands of Americans?

[Facio] I do not think it is a reprisal. There are none. What we have here is a complaisant attitude at the AFL-CIO.

[Murillo] How do you explain the fact that the U.S. Embassy in Costa Rica said that the quarrel between Calderon and the Clinton administration "does no good" [no es provechoso]?

[Facio] That is logical. What could it say?

[Murillo] What is Costa Rica's image in Washington?

[Facio] It has a great image for its respect to human rights.

[Murillo] The Clinton administration has still not appointed an ambassador to Costa Rica. What does that mean to you?

[Facio] The United States reserves the right to appoint a noncareer diplomat to Costa Rica because it prefers to appoint a political friend. The post to Costa Rica is highly sought after.

[Murillo] To your way of thinking, what is the first thing the country must do to face the second stage of the AFL-CIO administrative lawsuit?

[Facio] I prefer to have legal assistance to go to a public trial. We have studied the various law firms, and I recommended one that President Calderon and private business have accepted. It is Manatt, Phelps, and Phillips, with Chuck Manatt as a partner. He is the president of the Democratic Party.

[Murillo] How does Costa Rica stand with the Commerce Department and the AFL-CIO now that the Constitutional Court has admitted union privileges by accepting a writ of amparo presented by three Cocobola Banana Co. workers?

[Facio] I was expecting that ruling, but did not think it would come so fast and with such good timing. It strengthens the Tico position when we are beginning our defense against the lawsuit, because the U.S. labor confederations believe that Costa Rica does not guarantee the right to organize unions and collective bargaining. I have always said that Article 60 of the Constitution and Agreement 135 ratified by the International Labor Organization in 1975 clearly grants that right and in a more definite way than in the United States. This ruling will show that our legislation protects workers who join unions. The unions simply do not know how to demand that right. That does away with the number one argument to then go to the second stage of the administrative lawsuit by the AFL-CIO.

One must take into account that U.S. Trade Representative Mickey Kantor said that if the charged countries decide to improve labor conditions, they reserve the right to end the union lawsuit.

El Salvador

UN Official Says National Police To Be Disbanded

PA2010173393 San Salvador LA PRENSA GRAFICA in Spanish 16 Oct 93 p 7

[Text] Colonel Pierre Barriere, chief of the Onusal [UN Observer Mission for El Salvador] Police Mission, said yesterday that the total disbandment of the National Police [PN] is scheduled for 31 October 1994 so as to give way to the deployment of the National Civilian Police [PNC], as the January 1992 peace agreements establish.

According to Col. Barriere, the Salvadoran Government has already notified the United Nations that this security force will be disbanded by that date. This action will close the point referent to the disbanding of the former security forces which will be replaced by the PNC, as established by Chapters II and IX of the agreements.

The plan to reduce the PN will be implemented in two phases: the first runs from October 1993 to May 1994 and the second from June 1994 to October 1994. "These two phases establish the different steps and timeframes for the reduction. The number of members to be demobilized in each of these phases is also established, up to the closing of the PN headquarters in October 1994," Barriere told LA PRENSA GRAFICA.

The plan also includes the closing of the Police Training Center (Cetipol), scheduled for 31 December 1993.

The Onusal Police Division chief said that in order to verify the number of discharged police officers, the government will send a list at the end of each month to Dr. Augusto Ramirez Ocampo, the Onusal chief, so he can in turn report it to the United Nations.

It has also been reported that the PN members who leave the force will benefit from a program to help them rejoin civilian life through beneficial and productive tasks for society. This program includes scholarships for university education, vocational training, technical assistance and loans for small businesses, agricultural training, and help for police officers who need physical and mental

rehabilitation. This program will begin with international aid funds that the government is scheduled to receive.

Guatemala

Government Investigating Reported Belizean Troop Incursion

PA2010134993 Panama City ACAN in Spanish 2114 GMT 18 Oct 93

[Text] Guatemala City, 18 Oct (ACAN-EFE)—The Guatemalan Government is investigating the presence of Belizean soldiers in northern Peten Department and the truth of charges by local residents who reported that the Belizeans destroyed crops, causing 300,000 quetzales (approximately $51,300) in damage.

The Foreign Ministry Public Relations Office today told ACAN-EFE that General Jose Quilo Ayuso, chief of the defense staff, ordered the investigations and that Guatemalan Ambassador to Belize Antonio Castellanos will also investigate the incident.

Indicating that this is not the first time there has been an incursion in the border Department of Peten, Deputy Foreign Minister Luis Alberto Padilla believes that the incursions will continue as long as Guatemala and Belize do not resolve the more than 150-year-old territorial dispute.

Residents of Las Flores village in Melchor de Mencos municipality, 610 km north of Guatemala City, charged that Belizean troops, travelling in "tanks and tractors," destroyed the residents' crops because "they were in their territory." According to the residents, the action affected 1,000 families and caused 300,000 quetzales (approximately $51,300) worth of damage. They said the authorities have done nothing to defend them.

The negotiations between Guatemala and Belize have been suspended since June. To date, they have obtained Guatemala's recognition of the former British colony's independence and the establishment of diplomatic relations.

Three weeks after Ramiro De Leon took office on 6 June, current Belizean Prime Minister Manuel Esquivel won the elections based on an anti-Guatemala and antiregional integration campaign.

The only point still pending in the negotiations is the territorial claim, in view that Guatemala demands an outlet to the Caribbean while Belize refuses to grant it.

The two government leaders are expected to analyze the issue during the 14th Central American Summit to be held in Guatemala next week. Esquivel will attend the summit as an observer. Guatemalan political sectors have rejected his announced visit.

Honduras

Callejas Expresses His Appreciation Toward CMH

PA2010183793 San Pedro Sula TIEMPO in Spanish 17 Oct 93 p 6

[Report by Gustavo Palencia]

[Text] Tegucigalpa—President Leonardo Callejas expressed his satisfaction at the end of the doctors' strike, which for 16 days prevented Hondurans from receiving attention in state-run hospitals.

"I thank the Medical College [CMH] for its resolve in reaching an agreement with the Honduran state through responsible efforts and behavior that are clearly highly professional," Callejas said prior to signing a document that ended the conflict.

"Despite difficulties in the negotiations, the pledge that the health minister will read expresses the legitimate resolve of both sides and shows the positive effort by CMH members and the Honduran Government, which is clearly satisfied with this result," Callejas added.

Callejas spoke with CMH President Elsa Palou on his left. She looked radiant, wearing a pink jacket and a blue skirt, which matched her look of satisfaction following the long struggle.

Meanwhile, Health Minister Ramon Pereira and Finance and Public Credit Minister Minister Rene Ardon appeared distraught after being more or less replaced in the final stages of the negotiations by presidential advisers Mario Rivera Lopez and Manuel Acosta Bonilla, to such a degree that Rivera was unable, because of a strong cough, to finish reading the agreement that ended the conflict.

The president, addessing Palou said, that "I want to recognize you and the CMH leaders, who despite the difficult situation kept the emergency service operable, which pleases me."

Callejas, in an interview after the ceremony, said that the increases demanded by the National Health Coordinating Board (CNS) should be resolved through dialogue the same way as with the doctors.

Callejas said that increases granted to the doctors have not come from government coffers, and he will encourage them to offer patients a better service.

He said there "is a positive will" by the government to give its best attention to demands for salary increases by public workers, for example the health workers.

The Health Ministry gave assurances that today an agreement will be signed with CNS members over their demands for salary increases, ending negotiations that began on Friday.

Nicaragua

Government Reaffirms Support for Naval Blockade of Haiti

PA2010184093 Mexico City NOTIMEX in Spanish 1819 GMT 20 Oct 93

[Excerpt] Managua, 20 Oct (NOTIMEX)—The Nicaraguan Government today reaffirmed its support for a naval blockade and economic embargo decreed by the United Nations against Haiti to promote the restoration of democracy in that Caribbean nation.

The Nicaraguan Foreign Ministry urged the country's political forces to comply with commitments it acquired in "the Governor's Island Agreement," which established 30 October as the deadline for the return of deposed President Jean-Bertrand Aristide.

The government, according to an official communique issued today by the Nicaraguan Foreign Ministry, supported the resolutions issued by the OAS and the United Nations. The government committed itself to supporting "the actions adopted by international organizations within a framework of absolute respect for international law and self-determination of the Haitian people to ensure compliance with agreements reached." [passage omitted]

UN-OAS Officials Said Evacuating Recontras; Quilali Calm

PA2010193593 Managua Radio Sandino in Spanish 1100 GMT 19 Oct 93

[From the "Events" newscast]

[Text] Sources close to the EPS [Sandinist People's Army] in Esteli have said that CIAV [UN International Commission of Support and Verification]-OAS representatives are covertly evacuating mid-level commanders of the dispersed 3-80 Northern Front. According to our sources at least six leaders under the protection of CIAV-OAS officials have left sectors like San Gregorio and La Campana, near Murra and Quilali, dressed as private citizens, apparently on their way to the capital.

Meanwhile, sources in the Special Disarmament Brigade—not currently engaged in its activity in northern Nicaragua—said that a natural demobilization process is taking place among the dispersed 3-80 Northern Front forces, in the wake of leader Jose Angel Talavera's [El Chacal] flight. These forces are returning to their homes in areas near Quilali under the authorities' tolerant eyes, allowing them to go back to their families with the hope that they definitely will give up armed activities.

EPS military sources in Esteli disclosed that a leader who surrendered—who they refused to identify—said that El Chacal planned to travel to Canada where his mother currently resides.

A vehicle belonging to the Agriculture Ministry was recovered by the EPS near El Jobo, in Quilali, after it was left behind by a 3-80 Northern Front leader who had been using it.

The EPS is not reporting serious fighting, with the exception of small skirmishes, despite what some observers have described as significant military deployment. Military sources have indicated that near Murra some traces of blood have been found indicating there are some wounded among the recontra forces as a result of those skirmishes. An apparent calm has settled over Quilali little by little, where productive activities are being restored and the echoes of sporadic shooting can hardly be heard.

Chamorro Presents 1994 Budget to National Assembly

PA2110001293 Managua EL NUEVO DIARIO in Spanish 16 Oct 93 pp 1, 8

[Report by Edgar Barberena]

[Text] Thirteen hours before the expiration of the legal deadline, President Violeta Chamorro yesterday sent to the National Assembly the 1994 general budget bill that amounts to 2.79 billion cordobas.

Finance Minister Dr. Emilio Pereira and Deputy Minister Mirna Somarriba arrived at the legislature at 1100 carrying two heavy books. They were quickly escorted into the office of Assembly President Dr. Gustavo Tablada.

Figures

The document presented to Tablada contains a budget 10-percent higher than the 1993 budget. According to Pereira, the new budget "reflects a better distribution and better quality of expenditures because it gives priority to investments that generate jobs."

According to the president's proposal, the central government's investments will total 578 million cordobas. Investments in 1994 will be 19-percent higher than those planned for last year.

As for revenues, the treasury expects to collect 2.578 million cordobas and spend 2.79 million cordobas. Half of the difference, about 252 million (fiscal deficit), will reportedly be covered by donations and the rest by soft loans.

Public Expenditures

Commenting on the 1994 public expenditures, the finance minister said the best measure is regularly reflected in the exchange rate and the parallel market. The fact that both have been held under rigorous control "proves that fiscal discipline has been implemented by the Finance Ministry to guarantee to the public that

stability will be ensured and that the fear of inflation, which is the heaviest scourge to the poor, is under control."

Pereira confirmed that the executive's proposal, which was prepared by Finance Ministry personnel, has not decreased EPS [Sandinist People's Army] allotments because they are at the same levels as last year. The Government Ministry, however, will be reorganized, which will allow greater flexibility than in 1992, he added.

He Asserts Government Favors Social Areas

Answering several questions on the budget, the finance minister emphasized that the government has been favoring the social area, "and the numbers show this to be true."

"In Somoza's times, 24 percent of the budget was spent in the social area (health, education, and universities). In the Sandinists' times, the percentage fluctuated between 22 and 33 percent, and later it fell because of the increases in military spending. This government, however, had been spending 42 percent in the social area.

"This means that we are spending 42 centavos of each cordoba that enters the national coffers in the social sector. Unfortunately, the problems are so large that even if the amount seems steep, it is not enough to cover the country's needs."

Pereira added: "This is why, in addition to the resources, it is necessary that politicians give priority to the country's extreme poverty problem and that they leave the struggle for power and the solution of circumstantial problems to one side. By naming poverty as the first problem to be resolved, we will make better use of our small resources and will give priority attention to those sectors."

National Assembly's Budget Decreases

Deputy Finance Minister Mirna Somarriba confirmed to EL NUEVO DIARIO that a budget was assigned to the National Assembly because it failed to present its proposal on time. Another source reported that the congress has been assigned a budget of 35.269 million cordobas. On Thursday, the National Assembly approved a 1994 budget amounting to 49 million cordobas. According to the law and the Constitution itself, the parliament is the body that approves the budgets. Therefore, the amount approved by the legislative majority will be included in the General Budget of the Republic.

In the next 15 days, Minister Pereira will have to appear before a legislative plenary session to explain the breakdown of the General Budget of the Republic to the deputies.

Daniel Ortega Denies Sandinists Responsible for Increased Debt

PA2010184893 Managua Canal Cuatro Television in Spanish 0300 GMT 19 Oct 93

[Report by Elvia Ivania Huembes from the "Extravision" newscast]

[Text] On occasion of the 16th anniversary of the assault on the National Guard Masaya Barracks, former Nicaraguan President Daniel Ortega has remembered this historic date alongside the mothers of heroes and martyrs and the residents of Monimbo neighborhood. In his speech the Sandinist leader referred to the foreign debt because government officials have said it was inherited from the previous regime.

[Begin Ortega recording] We had few contacts with the IMF and the World Bank. The foreign debt included a debt we had inherited from the days of Somoza. The Sandinist Government did not increase the debt because we were the subject of a blockade and the Yankees did not allow us to work with the IMF and World Bank. [end recording]

He added that the Nicaraguan Government has been doing bad business with international organizations like the World Bank.

[Begin Ortega recording] They paid 459 to receive (?362) [currency not specified]. The finance minister cannot convince me this was good negotiation. [end recording]

Ortega criticized government officials like Humberto Belli, who he described as having a triple standard.

[Begin Ortega recording] He has restricted the freedoms of youth. He wants to restrict freedoms he enjoyed as a youth; he wants to restrict rights he enjoyed as a youth. He does not have a double standard but a triple standard, and the country's education is in his hands. [end recording]

Later, Ortega presented to Dr. Boris Vega the Carlos Fonseca Order, which was received by his daughter. In the afternoon, the Sandinist Militancy Award was presented to 15 mothers of heroes and martyrs, whom Commander Ortega described as Sandinism's most important living moral force.

* UNO Effort To Remove Center Group Termed 'Absurd'

93CA0213B Managua LA PRENSA in Spanish 9 Sep 93 p 14

[Pedro J. Chamorro commentary]

[Text] The example that we Nicaraguans—particularly the politicians—are setting for the rest of our fellow countries in the hemisphere is disastrous.

Five foreign ministers, the secretary general of the OAS, Dr. Joao Baena Soares, and now the ambassador of the

United States himself—who hurriedly presented his credentials—have failed to convince the UNO [National Opposition Union] to sit down and talk with the FSLN [Sandinist National Liberation Front] and the government in a dignified manner and motivated by patriotism, in order to search for a necessary national accord.

I must say clearly and in all honesty that the UNO's exclusionary request that the nine deputies from the so-called "center" group resign as a precondition for joining in the dialogue seems to me to be absurd, irrational, and totally impossible to explain to the international community.

The so-called center group is made up of deputies elected in the same manner as UNO deputies, who for various reasons that I shall not discuss in this article bowed to the Executive Branch and now, along with the Sandinist bench, control most of the seats and high-ranking posts in the National Assembly.

In every country in the world, deputies "slide" from one bench to the other. One cannot establish as a *sine qua non* condition for national dialogue that one of the groups should seek the resignation or elimination of the other, much less that the Executive Branch should "force" the nine deputies who for one reason or another are the only ones loyal to it to resign.

Rather, the UNO should try to see how it could win back its majority in the National Assembly by attracting part, if not all, the center deputies. These center deputies should be given positive incentives rather than confronted with an exclusionary position such as the one taken by the UNO.

"I am leaving because there is nothing to do here," OAS Secretary General Joao Baena Soares reportedly said before leaving, this following exhausting sessions spent with UNO leaders trying to convince them to join in the tripartite national dialogue.

I have been a critic of the government. I have criticized the fact that it has not moved closer to its rank and file, its voters. Now that the government has every intention of doing so, trying to find a civic, negotiated, united way out of the national crisis, it is its voters—in this case the UNO—who have raised barriers to understanding.

To top it all off, it happens precisely when the president's popularity is very high because of the decisions announced on 2 September and the subsequent conflict with the military.

There could not be a better time for the government-UNO clash and a national dialogue.

This time, the government has shown signs of flexibility. The UNO was demanding a bilateral five-day dialogue before the beginning of any national dialogue and the government agreed. Then they wanted two more days, the talks ended up breaking down, and for the second time, the foreign ministers, and the secretary general of the OAS came to Nicaragua without achieving their purpose: to help us Nicaraguans sit down and engage in a dialogue aimed at finding a way out of the grave political crisis that has engulfed us.

* Esteli FSLN Representative on Unrest, Chacal Support

93CI0213C Managua EL SEMANARIO in Spanish 26 Aug 93 pp 16-17

[Interview with Isaias Parrales, Sandinist National Liberation Front political secretary in Esteli, by Orlando Castilla Estrada; place and date not given; first paragraph EL SEMANARIO introduction]

[Excerpts] Isaias Parrales, political secretary of the Sandinist Front (FSLN) in Esteli and well-acquainted with the socio-economic problems of Quilali and other areas of Nueva Segovia, describes for EL SEMANARIO the tragic violence that has plagued the region for five years. The Sandinist leader reaffirms the FSLN's rejection of the terrorist actions of "the Jackal" [el Chacal] and the armed commandos in Managua. [passage omitted]

[Castilla Estrada] Have you, the FSLN in the region, held talks with other former rebel sectors [factions that have laid down their arms], for example, former members of the Contra, soldiers who have mustered out of the Army, who agree with your proposals and who are trying to present some concrete demands for the region?

[Parrales] In the case of the municipality of Esteli, there are about 400 demobilized persons from the Nicaraguan resistance with whom we are in communication. We believe that these people are for the civic path, for what is called the Party of the Nicaraguan Resistance, and we are working with them. We believe these people are seeking a civic path, but we are also in communication with other non-Recontra groups. We are talking with the Magna Movement, which has also turned into a civic front and that caused problems for us last year.

[Castilla Estrada] What is that Movement? Who is in it?

[Parrales] That is the Movement of National Self-Defense in Arms, which later on joined with the Recontras in forming the Revueltos and who were also active in Esteli in April 1992. We are communicating about the search for peace; we are fed up with war.

[Castilla Estrada] But you are reportedly working together based on a platform and specific demands—I mean for the future, once the current problem of The Jackal is solved.

[Parrales] So far, what we have been seeking is convergence on proposals being put forth by these groups. There is agreement on property proposals and there is agreement on needs in the fields of health and education....

[Castilla Estrada] In the case of The Jackal, how large are his real forces? What is the attitude of the social sectors where he is, the Quilali area where he is now, for example?

[Parrales] They say he has about 300 men, but I know because I worked in the Quilali area for about five years. I know his family—it is a well-known family in Quilali—he even has brothers who are members of the Sandinist Front. He definitely enjoys the respect of the people in Quilali and the information that I have received from people in Quilali is that they support such actions. They even express total support for this kidnapping and this kind of action.

[Castilla Estrada] What do the Sandinist rank and file in Esteli think? Have they shown support for what the armed group that has kidnapped the members of the UNO [National Opposition Union] has done?

[Parrales] Well, in general, the Sandinist Front have rejected all kinds of terrorist action.

[Castilla Estrada] Do you think the situation in Nueva Segovia, in terms of hunger and unemployment, is representative of what is happening in Nicaragua? Is it like the situation in the west?

[Parrales] The anguish felt in region 1, especially in the dry area, is like the overall economic and social situation experienced by all the communities in the west. In Leon, they have a Committee of Salvation for Leon, and we here in Esteli have what is called the Front To Fight the Problems of Segovia, which tries to take in the entire sector. I think the situation is similar, but what is more, not only in these two regions where the dry zone extends from the first to the second region. Rather, this situation exists in other areas. In other words, it is a desperate situation that is causing some groups to choose the path of violence.

[Castilla Estrada] Following the actions of "Pedrito el Hondureno" [Little Pedro, the Honduran] in Esteli, did the Ministry of Social Action or someone in the government meet with you, or did they hold meetings with the Sandinist Front, the Mayor's Office, or regional officials in order to propose development plans or some alternative?

[Parrales] A week after the events in Esteli, Violeta Barrios came here with her Cabinet. We thought it was a mockery because she practically came to offer what she had offered on 18 May in Matagalpa. We do not think it is an alternative when the government offers temporary work. What the people need here is permanent work. The government has shown no interest in solving the problem. It has ignored the situation that exists and of which we warned the government, even before the events of 21 and 22 July.

[Castilla Estrada] Getting back to The Jackal and the support he has in Quilali, do you think that the current situation of hunger is leading people to believe his proposals somewhat?

[Parrales] Quilali is one of the places where basic grains have been produced the most. For example, in the case of corn, the people have historically been able to grow three crops here: the first, last, and another they call "pante." In Quilali, I can say there is no poverty, but we would have to look at other elements such as the treatment which we Sandinists reserve for the peasants, which is related to problems experienced with the people involved in the war of aggression. Only the municipality of Quilali had a regional command. I recall that we had over 1,000 rebels there. I think that one has to consider this entire situation, the kind of relationship we established with the people there, all of which comprises the background that must be taken into account.

[Castilla Estrada] In other words, Quilali is maintaining its level of production at present?

[Parrales] I think that because of the war, it dropped substantially, but the people still manage to get along.

[Castilla Estrada] What guarantees would there be for the stability of this region? What is your opinion as a Sandinist leader?

[Parrales] The solutions, if peace is achieved and if there is an atmosphere of stability, depend on whether the government has resources. Here we produce basic grains such as beans and corn. Esteli is the only place in Nicaragua that can be used as a potato seedbed. It is also a livestock-raising zone. Once stability is achieved here, we think that many people who were involved in armed actions will return home. The people must regain their confidence, confidence in order to be able to produce. There are also organizations willing to cooperate and help the people, but I think that the party most able to get things going here is the government.

[Box, p 17]

The Jackal and His Brothers

"The Jackal," Jose Angel Talavera, comes from a Quilali family of peasants and ranchers actively involved in Nicaragua's last three wars. Two of his brothers, Juan and Orlando, were killed fighting Somoza during the 1978 uprising. During the revolutionary period, the Talavera family split, with some supporting Sandinism, while the majority joined the counterrevolution and occupied posts of average importance in the regional commandos. The Jackal was a man who began his military life in the Sandinist People's Militias in 1981, but who later joined the Contras. He was one of the main leaders of "The Indomitable One" and mainly operated in the Quilali area.

The Jackal lost a leg in this war. He also lost his father, Esteban Talavera, who was killed by his own comrades

in arms in 1987, when a counterrevolutionary commando used antitank mines to blow up a transport truck near Quilali.

In 1992, shortly after the peace process promoted by Violeta Chamorro began, "The Indomitable One" appeared, the Contra leader who began to reactivate his rank and file and all his forces in the mountains of Segovia. This was the basis for a movement of rearmed Contras, particularly in the areas of Telpaneca, San Juan, and Quilali, where the Contras had been active during the Sandinist government.

The government subsequently began to negotiate with him and he laid down his arms, as a result of which these forces were leaderless and disorganized. It was in the midst of this "impasse" that a few of The Indomitable One's leaders began to organize small groups. It was at this time that The Jackal began to work with his brothers: Salvador, his second-in-command, also known as Esteban and Chacalin, and Elvis. Nearly the entire staff of the 380 were his brothers.

During the disarmament promoted by Violeta Chamorro's government, he began to be pursued by military men considered to be his personal enemies. He claims he is being pursued by the Army and has begun to rally his former comrades in arms and to form the northern front 380 through his brothers, who are members. This year he is beginning to take revenge against Sandinist objectives and against cooperatives that were unarmed, killing and kidnapping Sandinist cooperative members.

He personally uses his armed group to settle personal accounts. He goes after enemies and even burns their ranches. In this battle for revenge, another rival armed group, also belonging to the Recontras, captured and murdered another Talavera brother, Felix, right in the middle of Quilali park.

He had emerged as a leader after The Indomitable One quit the fight around the end of last year. He took action against Sandinist Front objectives early this year and Commando 380 gradually gained strength in northern Segovia when it began to attack, harass, murder, kidnap, and rape Sandinists.

In reply, the Recompas are beginning to organize along with cooperative members as a means of self-defense and to dust off mail drops. This is when Pedrito el Hondureno emerged, four or five months after organizing the FROC [Peasant-Worker Revolutionary Front] as an armed response to The Jackal's actions and those of the 380th. The two groups are therefore locked in a struggle and both are beginning to scatter. Here we basically have strictly Sandinist or Recontra territories. The Jackal reportedly operates in Quilali, San Juan del Rio Coco, and a number of spots in the dry zone, while Pedrito el Hondureno is also beginning to reemerge with Sandinist supporters in the area of Limay, Pueblo Nuevo, part of Madriz Oeste, and Condega.

* F. Mayorga on Civic Movement, Ortega Brothers

93CI0213A Managua LA PRENSA in Spanish 5 Sep 93 pp 1, 9

[Interview with Civic Movement President Francisco Mayorga by Ariel Montoya; place and date not given; first two paragraphs are LA PRENSA introduction]

[Excerpts] We spoke with Dr. Francisco Mayorga, mainly about the political and economic crisis besetting the country. President of the Civic Movement of Nicaragua, former president of the Central Bank, and a professor at INCAE [Central American Institute of Business Administration], Mayorga expressed his views on possible solutions to the crisis.

Mayorga believes the movement he heads has gained momentum in recent days. On Friday, it asked citizens to honk their horns and housewives to bang on their pots and pans.

Consideration is also being given to gathering 30,000 signatures on a petition to abolish the Army. The following is the text of our interview with him: [passage omitted]

[Montoya] Is the policy of violence related to the failure of the government administration?

[Mayorga] Yes. What has happened is that there is an enormous gap between the values of the vast majority of the people of Nicaragua and the values displayed by a minority within the Sandinist National Liberation Front (FSLN).

This fact was revealed by Mario de Franco in an interesting analysis which he makes of the phenomenon. For example, for most Nicaraguans, the case of Jean Paul Genie is a crime, but for that minority faction of the FSLN, it is an accident.

For most people, the case of Arges Sequeira is a repudiable assassination, but for a small minority, it is an execution. For the vast majority, the situation of the *pinata* [looting of housing and land by Sandinist government after election defeat] is robbery and looting, but for a certain minority, it is social justice, recovery.

The kidnapping of Donald Mendoza from the UNO [National Opposition Union] was a crime for the vast majority, but for that same minority, it was a heroic act. This is the heart of the great danger threatening the national dialogue, these conflicting values.

[Montoya] Do these conflicting values to which you refer also affect alternative solutions for national understanding such as the path of dialogue, for example?

[Mayorga] Indeed they do. How can we have a dialogue and expect to build agreements between persons who share a minimum of values, as in the case of Daniel Ortega, a man who receives the flag from the hands of Donald Mendoza at the airport and gives him a big

farewell hug. That is the man who is going to sit down to dialogue and this is a question that must be asked by the leaders of the UNO: whether or not that gentleman is truly able to commit himself to a dialogue.

The philosophy of this splinter group of Sandinists has been based on tactical arrangements within a whole muddle of twisted values.

There is a phrase that became famous in the '80's, a phrase uttered by Joaquin Cuadra Chamorro, then president of the Central Bank of Nicaragua. When he was in the process of negotiating the foreign debt, he said: "You can make me sign, but pay? Never!" One has to ask oneself whether Daniel Ortega is following that same philosophy of the '80's.

[Montoya] Do you think the government is beginning to admit its mistakes halfway down the road?

[Mayorga] Without a doubt, the government is beginning to admit its failures itself. Internal and external pressure is beginning to be felt, the government is being forced to make changes in its own policy, and I feel that the fact that Violeta Barrios de Chamorro is willing to set a deadline for General Ortega's departure means an extremely important change in the president.

In addition, the reaction of the Ortega brothers is rather like a symbol of how the situation in the country has been since 1979, when the country was a kind of hostage to the Sandinist Front.

[Montoya] And who heads these minorities factions within the FSLN?

[Mayorga] General Humberto Ortega and his brother Daniel.

[Montoya] What possibilities are there of making these individuals change their attitude within the political scene?

[Mayorga] There are two possibilities, one of them being that these two gentlemen change their position, making a solemn national commitment and saying, "Henceforth, we shall adhere to the values that the country proclaims. The other, which is more practical in political terms, would be for the Army, first of all, to recognize the need to become an institution rather than an armed group serving under a person named Humberto Ortega. Second, the Sandinist party could become a modern party, changing its leadership, in which case the more sensible and more intelligent sectors could also call for the retirement of Daniel Ortega. I believe there are talented, modernistic factions in the FSLN, sectors that never approved of the *pinata* or the killings.

[Montoya] How is the Civic Movement doing?

[Mayorga] We hope to achieve an international response. With Oscar Arias in Washington, the new Democratic Administration views our idea of demilitarization with some sympathy since they are also thinking about demilitarizing the United States and the world in this new era of peace.

We are getting ready for our second birthday in the third week of October. We began with a small group of twelve citizens, persons of merit such as Pablo Antonio Cuadra, Jorge Eduardo Arellano, poetess Maria Teresa Sanchez, Carlos Quinonez, and others.

The Civic Movement has marked a change in attitude because it is beginning to set an example of the ability, which can be developed, to speak of the military issue and challenge the Army's existence. This means confronting the very backbone of the government throughout our history, which has always revolved around jackboots and bayonets.

We are beginning to speak of antimilitarism as a cultural ingredient that is fundamental to the country's future. When we celebrated our first birthday, the entire EPS [Sandinist People's Army] General Command appeared, headed by Humberto Ortega, condemning the Civic Movement as a subversive, destabilizing movement that was an enemy of the constitution. As it turns out, they have caused the entire nation, which was awaiting the movement, to recognize that we struck a fundamental chord. The Army's attack on us caused the people to take an interest in us. People are beginning to call from the departments and attend our meetings.

However, at the very time that Humberto Ortega was speaking about the Civic Movement, he instructed the Sandinist media and the media in general to exclude and deny space to the Movement. From that day on, the Civic Movement's words were barred from the pages of BARRICADA, EL NUEVO DIARIO, Channel 4, and Sandinist radio stations. Allow me to tell you that for some reason, even if it was not direct, we found that our activities received little notice in the daily LA PRENSA, but the scene is changing.

[Montoya] A new dialogue is scheduled to begin tomorrow, Monday. What prospects do you think it has?

[Mayorga] I cannot say I am optimistic. I think there is still great rigidity in the government's positions, the minority faction of Sandinism, and also some sectors of the UNO. The solution would be for these forces to abandon such rigidity for the sake of the nation's interests.

The solution would be for the three sectors to come together on a minimum agenda of understanding signifying important changes for the country. Without question, the dialogue can generate the possibility of creating institutions limiting the power of the individuals who govern: the military, civilians, and the Office of the President, which can issue one order today saying one thing and another tomorrow saying precisely the opposite. They could limit the discretionary power of the ministers, which is very broad at the present time.

[Montoya] How do you analyze President Violeta Barrios's statements in terms of a more explicit decision on her willingness to make Humberto Ortega resign?

Comments have been made in political circles to the effect that it was the president's own decision, which resulted in a great boost to her office, both nationally and internationally. What is your opinion?

[Mayorga] That is a complex question for an internal observer.

Unfortunately, within what are the Cabinet's own internal problems, there is another dimension involving family relationships. There are laws against nepotism for that very reason. The prime minister is the president's son-in-law; he is her daughter's husband. Now then, in any other country in the world, when the president feels that the prime minister is not doing his job properly, he is removed from his post.

At any rate, when Violeta Barrios de Chamorro thought it was necessary for Francisco Mayorga to leave her Cabinet, there was no problem. I am still her friend and no crisis resulted.

I perceive a serious problem in that I think it is difficult for the president to evaluate the work of the prime minister in the same way she does the rest of her ministers. If one evaluates the work of the government, one sees that the government has not turned out very well.

It is time to change the team.

Panama

Foreign Ministry Evacuated Following Bomb Threat

PA2010210393 Mexico City NOTIMEX in Spanish 2036 GMT 20 Oct 93

[Text] Panama City, 20 Oct (NOTIMEX)—Official sources reported today that the National Police ordered the evacuation of the Foreign Ministry because of a bomb threat. Explosives experts searched all offices within the ministry building, which is located in central Panama City in Belisario Porras Park.

A Foreign Ministry spokesman explained that an anonymous telephone call indicated that a bomb had been placed inside the building. It was reported that unidentified individuals have been making calls with bomb threats to the Foreign Ministry since last week.

Noriega, Two Associates Found Guilty of Spadafora Murder

PA2110011593 Panama City Circuito RPC Television in Spanish 2328 GMT 20 Oct 93

[From "RPC Television News" newscast]

[Text] Manuel Antonio Noriega, Julio Cesar Miranda, and Francisco Eliecer Gonzalez have been sentenced to 20 years each for their participation in the murder and beheading of Dr. Hugo Spadafora.

Late this afternoon the Chiriqui Superior Court sentenced Manuel Antonio Noriega, Julio Cesar Miranda, and Francisco Eliecer Gonzalez to 20 years prison, thus concluding the Hugo Spadafora murder trial. The sentence, which was read by Madeline Miranda, general secretary of the Superior Court of the Third Judicial District, explained that Julio Cesar Miranda and Francisco Eliecer Gonzalez murdered Spadafora. Former General Manuel Antonio Noriega, also accused in this case, was found guilty of instigating the murder. Both former military members Miranda and Gonzalez were sentenced to 20 years in prison and will be barred from holding public office for the duration of their sentence. In this process, which took place in David during a hearing that lasted two months, seven other military members were found innocent. Three of them are currently under arrest for other alleged crimes. According to a Judicial Branch source, Julio Cesar Miranda and Francisco Eliecer Gonzalez will be transferred to the capital to serve their sentences.

Legislators Comment

PA2110030193 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Oct 93

[From the "RPC Television News" newscast]

[Text] Legislators representing various political parties have commented on this afternoon's district court verdict sentencing Manuel Antonio Noriega, Julio Cesar Miranda, and Francisco Eliecer Gonzalez to years 20 years in prison for the murder and decapitation of Hugo Spadafora.

[Begin recording] [Democratic Revolutionary Party (PRD) legislator Mario Rognoni] I believe that in General Noriega's case, the court simply decided to make a political decision out of fear of the reaction that would have broken out, especially after what happened following the release of the other seven suspects.

[Nationalist Liberal Republican Movement (Molirena) legislator Olimpo Saez] I believe that justice has finally been served. I also believe that when some of us occupy certain positions, we must accept responsibility for our conduct.

[Arulfist Party (PA) legislator Alberto Cigarruista] The entire country knows quite well that the murder was a plan prepared by the Panama Defense Forces. All of them should have been convicted. Unfortunately, those who faced the jury trial were able to get away.

[PA legislator Francisco Artola] I believe that the Panamanian people have once again recovered their faith in a fair justice system and that anyone involved in murder will be convicted.

[PRD legislator Balbina Herrera] I believe the verdict has not surprised anyone. All that is left now is for them to serve their jail terms. Indeed, no one has been surprised by the verdict, especially after all that took place with the first verdict.

[Christian Democratic Party (PDC) legislator Milton Henriquez] This verdict was consistent with the heinous murder carried out against Mr. Spadafora.

[Molirena legislator Gisela Chung] In this case, we are very satisfied, mainly because the country has been calling for justice. When we see the courts resolving difficult cases such as this one, we feel we are headed down the right path. [end recording]

Christian Democratic Candidate on U.S. Presence, Poverty

PA2010183393 Panama City EL PANAMA AMERICA in Spanish 15 Oct 93 p 5-A

[Report by Juan Pritsiolas]

[Text] Christian Democratic Party [PDC] presidential hopeful Ricardo Arias Calderon has promised to submit to a plebiscite any petition formulated by the United States to maintain its military bases in Panama. He has also said that Panama is "socially broken" as a result of the polarization caused by a hierarchy that is increasing its well-being and a population mired in poverty.

Arias Calderon, who participated in a presidential forum sponsored by the University of Panama, said he intends to "fulfill the Canal treaties to the letter," and that "not one base" will exist in Panama at the end of 1999.

Nevertheless, he admitted that he would submit to a plebiscite any proposal by the United States to extend the Southern Command's stay. He said the executive could not make such a decision unilaterally because it would represent a "radical change in the path followed by the country."

Arias Calderon added that the most "urgent" task for him if he wins the election will be to fight poverty and unemployment because Panama is "a socially broken country, which can be compared to Switzerland in some ways and to Haiti in others."

Arias Calderon also dismissed the possibility of the PDC sacrificing its presidential candidacy in the formation of an alliance. He acknowledged the Papa Egoro Party, headed by Ruben Blades, as one of the new forces that "deserves attention."

The Christian Democratic politician warned that his party "is not seeking" an alliance with the ruling parties that represent "traditional politics" or with the PRD [Democratic Revolutionary Party], which he has characterized as a "tool of the dictatorship."

Arias Calderon said that despite the "political controversy" surrounding the PRD he respects the party but sees no profound differences to prove there have been changes between what that party was and what it says it is now.

Parties Agree to Catholic Church's Parallel Vote Count

PA2010231593 Panama City EL PANAMA AMERICA in Spanish 19 Oct 93 p 1a

[Report by Juan Pritsiolas]

[Text] Panama's 21 political parties announced yesterday their support for the parallel vote count that Catholic Church representatives want to conduct during the 1994 elections. Through a statement issued by the Justice and Peace Commission, the legally registered parties and others that are undergoing the registration process "pledge to facilitate and cooperate with said work."

On 6 September, the Justice and Peace Commission named a subcommission chaired by Cesar Tribaldos to observe and conduct a parallel vote count during the elections for president, vice presidents, legislators, mayors, corregimiento representatives, and councilmen. The political parties "are publicly supporting" that task with the "firm conviction that we will be making our best effort in favor of a climate that fosters greater participation by civilian society," the statement indicated.

The Justice and Peace subcommission plans to take a count of 10 percent of the electorate to sample the possible election results. In the opinion of the political parties, Panamanians ought not regard this effort as a "new policeman who will tip the scale for or against anyone." This initiative represents our conviction that we have in our hands the ability to build a path we can be proud of and leave it as a legacy to future generations.

In the 8 May elections, 1.5 million citizens will be able to vote. In addition to the Catholic Church, the Electoral Tribunal plans to invite international observers. Last May, the country's political forces signed an elections ethics pledge to avoid violence in the upcoming elections.

Poll Reveals Political Preferences for 1994 Elections

PA2110013193 Panama City LA PRENSA in Spanish 18 Oct 92 p 1a

[Article by Hermes Sucre Serrano]

[Text] In a Dichter and Neira poll of 1,200 people conducted between 8 and 10 October, 77 percent of the respondents said the future president of the Republic should be a politician with government experience, 15 percent said he should be a novice, and 7.4 percent declined to answer.

The research is based on a contingent sample of 1,200 personal interviews with Panamanians of voting age

living in the country. The sample was arranged according to social strata of the units polled. The units were located in blocks of areas selected for the study. These blocks served as the bases for the interviews.

In terms of support for political parties, 19.9 percent of those polled did not support any party; 18.6 percent support the Revolutionary Democratic Party; 13.6 percent support the Papa Egoro Movement; 8.7 percent support Molirena [Nationalist Liberal Republican Movement]; 7.6 percent support the Christian Democratic Party; 7.0 percent support the Arnulfista Party; 2.9 support the Solidarity Party; 1.7 percent support the Popular Action Party; 1.5 percent support the National Unity Mission; 1.2 percent support the Liberal Party; and 1.1. percent support the Civilist Renovation Party. The rest of the parties received less than 1 percent.

The Dichter and Neira poll was based on a figure provided by the Electoral Tribunal indicating the number of people of voting age expected to vote in 1994. That estimate allowed an adequate stratification of the voting population based on the relative importance of the current electoral circuits. The information was broken down according to corregimientos and whether they are urban or rural. The stratified sample made it possible to have a balanced sample of the voting population.

The poll covered seven large areas of inquiry: electoral process, past behavior of the voting population, the country's situation, knowledge of electoral matters, data profile, political parties, the government, and the Electoral Tribunal.

Asked who would win the 1994 elections, 26.9 percent expressed no opinion; 21.3 percent said Ruben Blades; 20.4 percent said Ernesto Perez Balladares; 8.3 percent said Guillermo Ford; 5.4 percent said Mireya de Gruber; 5.0 percent said Ricardo Arias Calderon; 4.5 percent said Mayin Correa; 2.1 percent said Mario Galindo; 2.1 percent said Fernando Manfredo; 1.4 percent said Carlos Arellano Lennox; and 2.6 percent said someone other than those named above.

In the first electoral survey conducted by Dichter and Neira for LA PRENSA in July, Blades received 28.5 percent; Gruber received 27.5 percent; Balladares received 27.4 percent; Ford received 17.2 percent; Arias Calderon received 15.6 percent; Correa received 13 percent; Arellano Lennox received 9.5 percent; and others received 15.9 percent.

The selected sample makes it possible to estimate the proportion of voters who favor a specific party or candidate with a maximum 3-percent margin of error. The design had a reliability level of 95 percent. The poll was conducted among 586 men and 614 women. The breakdown per province was 765 in Panama, 136 in Chiriqui, 114 in Colon, 61 in Veraguas, 43 in Cocle, 36 in Bocas del Toro, 26 in Herrera, and 19 in Los Santos.

According to the results, 91.5 percent of respondents know where they should vote, 7.5 percent do not know, and 1.0 percent are unsure.

As to the increase in the number of deputies, 85.9 percent of those polled disapprove, 8.1 percent approve, and 6.0 percent do not know.

Minister Says IMF Not Releasing Funds Over State Payroll

PA2010183493 Panama City EL SIGLO in Spanish 20 Oct 93 p 8

[Report by Yali Enrique Pitti]

[Text] Planning Minister Delia Cardenas has said the Panamanian Government has not yet complied with all its commitments to international financial institutions. This could result in the freezing of disbursements to our country of approximately 281 million balboas.

According to Minister Cardenas, one of the IMF prerequisites for disbursing funds is reducing the government payroll. She emphasized, however, that there are no problems with disbursements from the Inter-American Development Bank, IDB, as reported in the media.

Minister Cardenas added that "the most serious problem" is the size of the state payroll, one of the main prerequisites for obtaining disbursements from international financial institutions. Nevertheless, she emphatically denied the payroll will be reduced by dismissing government employees.

"Had we complied with the program, we would have no problems now, because we would have received the funds and would have been able to reduce the payroll drastically," Cardenas said. She added that the payroll has not been reduced because President Guillermo Endara Galimany's policy has always been to maintain a peaceful climate and encourage the creation of jobs in the private sector.

Minister Cardenas said that the private sector must make more investments in order to create the jobs the country needs. She added that thus far there have only been considerable investments in the construction sector.

Modern Civilian Radar System Purchased With U.S. Loan

PA2010214793 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Oct 93

[From the "RPC Television News" newscast]

[Text] Panama has purchased a modern radar system at a cost of more than $8 million. The new system, which will be in place next year, will enable Panama to become a pioneer in the use of modern computerized radar equipment. The purchase of the ASR-9 [airport surveillance radar] was made with great goals and intentions in mind for Panamanian civil aviation.

[Begin recording] [Civil Aeronautics Director Zosimo Guardia] We are pioneers in the world in installing the most modern air traffic control equipment. The equipment was financed by the Export-Import Bank of the United States. Investments are estimated at $8.5 million.

It includes the primary radar and its related systems, consoles, controls, antennas, and other equipment. In addition, we are purchasing a secondary radar, or monoimpulse, at an additional cost of about $1.5 million. Panama will become a pioneer in Latin America in the field of aviation with the implementation of these modern systems. This will be a milestone for the continent's aviation.

[Reporter] How long will the equipment installation's take?

[Guardia] I have been informed that this first shipment will be followed by a second shipment that is scheduled to leave the United States on 22 October. A third shipment should be arriving by late November. The installation will begin now, and work will not be finished until the entire system is installed, which should be in August 1994. [end recording]

The radar will replace the old system that has been in operation for more than 30 years. The new system includes alarms and visual alerts which should help prevent accidents within Panamanian airspace.

Argentina

Details of Preliminary Fishing Agreement With UK

PY2010224893 Buenos Aires PAGINA/12 in Spanish 20 Oct 93 p 7

[Article by Martin Granovsky]

[Text] If no contradictory sign is received from London by dawn, the preliminary agreement reached by Argentine and British representatives over fishing in the South Atlantic will be disclosed this morning. PAGINA/12 had exclusive access to this agreement by which Argentina will be able to fish 220,000 metric tons of squid and the British 150,000 metric tons during the next season. Last season Argentina fished 130,000 metric tons; therefore, its fishing potential will increase by 90,000 metric tons of the much desired illex squid.

The Argentine and British negotiators discussed the agreement at San Martin Palace on 18 October and until 2130 on 19 October, an unusual time for the British. At 2130 the heads of the respective committees, Argentina's Rogelio Pfirter and the UK's Adrian Beamish, left the meeting to announce that an agreement had been reached and, at the same time, to delay disseminating the agreement's contents.

[Foreign Relations] Under Secretary Pfirter, who was accompanied by Fishing Under Secretary Fernando Gutierrez, announced: "We have come up with some ideas that we will submit to our respective governments."

Beamish, who is also an under secretary, was a bit more explicit: "I am optimistic. I leave the negotiating table with hope because we have been able to identify positive elements. I will contact my superiors."

Despite the parties' zeal to keep the agreement secret, reliable sources gave this newspaper the aforementioned information and a bit more:

The agreement is extended for another year.

This is the first time the British have accepted a ceiling on the amount they fish; in the past a ceiling had only been set for Argentina.

The Argentine Government can authorize 80 foreign ships to operate in the South Atlantic. According to the previous agreement, authorization had only been granted to 45 ships because, politically speaking, the government wanted to voluntarily limit itself as a sign of goodwill to the [Falklands] islanders in an attempt to soothe their reticence to negotiate with Argentina and Foreign Minister Guido Di Tella.

The new volumes of squid the countries are allowed to fish by no means implies a depredation of this species highly desired by the Koreans, Taiwanese, and Japanese, the main fishers in the area.

According to the sources, Argentina agreed to approve the preliminary agreement for two reasons. First, according to some government officials, Argentina can thus increase the number of fishing licenses it can grant. Second, because a battle over squid could harm the on-shore fishing industry, which indirectly benefits from the concessions.

The UK also has two reasons for accepting the agreement. First, as this newspaper disclosed previously, this was the only field in which Argentina had power because it controls the area where squid breeds. Second, because it is better to have one agreement than none, although London was unable to fulfill its ultimate desire, that is, to reach a definite and long-term agreement.

A no answer could come from London at dawn, but this possibility seemed unlikely last night: So far, Beamish has acted as Mr. Malvinas within the Foreign Office, and when he says yes it is because he means yes.

A request was made by the Kelpers.

Falkland Islands Governor David Tatham, during the opening session of the legislative assembly, yesterday urged Argentina to give up its claim over the island's sovereignty. Tatham asserted: "We must tell our neighbors to yield their demand because it contradicts the new and proclaimed Argentine faith in democracy."

Tatham, in full-dress uniform, said the Argentine demand violates the self-determination principle, "one of the UN's basic principles." He also stated that the Argentine stance "prevents the Malvinas from fully and frankly cooperating with our neighbors; therefore, I urge the Argentine Government and people to think this over carefully."

Tatham said the Argentine people should be reminded that the Malvinas "probably has the most durable and steady democratic tradition in South America and a judicial, health, and education system that is envied, not only by the United Kingdom, but by the entire world."

Cavallo Says GATT Failure 'Would Be Bad' for World Trade

PY2010184693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1607 GMT 20 Oct 93

[Text] Buenos Aires, 20 Oct (NA)—Economy Minister Domingo Cavallo emphasized today that the failure of the Uruguay Round of GATT talks "would be bad for every nation in the world and for international trade."

He said: "One must not assume the worst," adding: "We must continue to work toward an agreement, seeking to prevent its failure" before 15 December, the deadline for the Uruguay Round.

Cavallo added: "[Agriculture, Livestock, and Fishing Secretary] Felipe Sola and the agriculture ministers of Australia and Thailand are visiting EEC agriculture

ministers. They are emphasizing the need to reach agreement on the Uruguay Round of GATT talks."

Cavallo pointed out: "All nations—large or small—require a free trade atmosphere so that their natural resources and the ability of their respective nations will prevail."

Cavallo concluded: "It is very important to include agricultural and livestock products and services in free trade regulations."

The minister made these remarks before inaugurating the "PYME [Small and Medium Enterprises] International Financing" seminar in this city.

Scotland Yard Investigates Falklands 'Firing Squad Executions'

PY2010133993 Buenos Aires CLARIN in Spanish 18 Oct 93 pp 12, 13

[Excerpts] Today in Buenos Aires a group of British police detectives will begin an investigation into possible firing squad executions of captured Argentine soldiers during the 1982 Malvinas war. The testimony by Argentine witnesses before the members of Scotland Yard will be completely voluntary, will not be heard under oath, and are not part of any legal process under Argentine laws, but represent cooperation with the British police, who are investigating war crimes.

A group of detectives from the British police, Scotland Yard, will begin working in Buenos Aires today to investigate reports of firing squad executions of captured and disarmed Argentine soldiers by British troops during the 1982 Malvinas war.

The British delegation will remain in Buenos Aires for two weeks, and will hear voluntary testimony from about 40 Argentines. This will be the last step before closing an investigation that began more than two years ago.

In June 1991, former British paratrooper Corporal Vincent Bramley reported in his book "Tour to Hell" that various disarmed Argentine prisoners of war were executed by firing squad after the Mt. Longdon battle, one of the bloodiest battles in the 11-week conflict pitting Argentina against the United Kingdom over the sovereignty of the Malvinas Islands.

Bramley's version was confirmed by Argentine witnesses, including former Corporal Jose Oscar Carrizo, who claimed that he had been subjected to an attempted execution by firing squad after having handed over his weapons to the British soldiers.

Carrizo himself; Martin Balza, the Army chief of staff; and former Lieutenant Colonel Aldo Rico, all of whom are Malvinas war veterans, are some of the people who will be heard by the British police delegation. Over the past few weeks the British consul in Buenos Aires, Avril Great Rex, has been sending a series of letters to former Argentine combatants inviting them to cooperate with Scotland Yard.

A CLARIN reporter was also invited by the British police. In August 1992 Adrian van der Horst interviewed former soldier Santiago Mambrin, who was a member of the 7th Infantry Regiment of La Plata during the Malvinas war and witnessed the attempted execution by firing squad of Corp. Carrizo by two British soldiers. [passage omitted]

When the investigation is completed, the detectives will present their conclusions to the British Government's attorney's office [fiscalia]—an independent body of the British executive branch—which will finally decide if court proceedings are to be initiated.

Buenos Aires Governor Denies 'Disagreement' With Menem

PY2010133093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1846 GMT 19 Oct 93

[Excerpt] Buenos Aires, 19 Oct (NA)—Buenos Aires Governor Eduardo Duhalde today made it clear that those who indicate that Duhalde is in disagreement with President Carlos Menem "are making this up." Convinced that "no one can help him like I can in this battle," Duhalde says he has been working to achieve the head of state's reelection.

In an exclusive interview with NOTICIAS ARGENTINAS Duhalde stressed that he cannot avoid "the existence of speculation, but these things as well as other things must be supported by facts and not by words." He said: "I am fully engaged in working for the reform, and I am convinced that it will succeed."

During the interview, in response to a question on whether he would join Menem on a possible ticket, Duhalde stressed: "I would join the president anywhere." Nevertheless, Duhalde emphasized: "This issue is not up for discussion now."

Duhalde stressed that the guarantee for the current system "is undoubtedly Menem." Duhalde also, however, singled out Minister Domingo Cavallo as "an extraordinarily important figure." [passage omitted]

Government Claims Enough Votes in Senate for Reform Package

PY2010225093 Buenos Aires BUENOS AIRES HERALD in English 20 Oct 93 p 11

[Excerpt] (DYN-NA)—The government was claiming last night [19 October] that it had succeeded in securing enough votes to guarantee the success of the constitutional reform bill—including presidential reelection—which is being debated in the Senate today, before going to a vote tomorrow.

"I am extremely confident that the first step to ratifying the reform bill will be achieved in the Senate vote, as the whole Justicialist block should be supporting the initiative," said Buenos Aires Governor Eduardo Duhalde after talks with former dissenting government members.

With a two-thirds majority necessary for the bill to be passed, the government was holding talks yesterday with San Juan bloquista Leopoldo Bravo, whose vote could hold the key to President Menem's desire to run for a second term in 1995.

Government sources said they had received a guarantee that Bravo would vote for reform, although there was speculation that he had insisted on a shorter bill, which the ruling party duly accepted.

Bravo had reportedly won concessions that would result in the reform bill's maintaining the current Electoral College system for presidential elections and indirect elections of national senators.

However, Mendoza Senator Jose Octavio Bordon, who voted against the government in September on the grounds that there was insufficient political consensus on the issue, also presented an alternative list of amendments for consideration last night.

Although both redrafted bills bore notable resemblances Bordon reportedly insisted on direct presidential and senatorial elections. [passage omitted]

Bolivia

Three Generals, Ten Civilians Charged With Arms Trafficking

PY2110004493 Cochabamba LOS TIEMPOS in Spanish 8 Oct 93 p A1, A6

[Excerpts] La Paz—The La Paz Attorney General's Office today formally charged three generals and 10 civilians with participating in an international arms trafficking case. This move confirms the successive articles published by LOS TIEMPOS on the subject in the past few days.

The generals will be tried by a military court for their participation in one of the most serious scandals of its kind in Bolivia. They are Admiral Freddy Lopez Arispe, the current Cofadena [Armed Forces Development Corporation] general manager; General Augusto Sanchez Valle, the former Cofadena general manager; and General Bernardo Chavez Ortiz.

Prosecutor Javier Dipps said during a news conference today that the three generals will be tried by a military court and the civilians by civil courts.

Dipps said he will instruct the judge hearing the case to ask the Bolivian state to participate as a plaintiff in a trial for damages against Portugal for permitting the use of Bolivia's name in a scandalous arms trafficking case that had as its final destination the former Republic of Yugoslavia, where a bloody civil, inter-ethnic war currently is under way.

The case has all the atmosphere of a fiction novel. Captain Julio Moreno, the Attorney General's Office representative and an official investigator, reported yesterday on his activities in various countries trying to shed light on the dark aspects of this arms-trafficking case that was based on forged documents. The case once more proves the traffickers' great capacity to infiltrate top military levels, and the lack of security around confidential Bolivian state documents.

Piles of money, strange characters moving in the dark, influence peddling, corrupt officials in various national embassies in Europe, and official guardians of confidential documents who sell them for $300 are some of the elements of this "conspiracy" against Bolivia.

The civilians involved are: Carlos Terceros Castro, Jeshua Waltron, Matityane Cheremeski, Jose Saldahna Souza Meneses, Pedro de Fierro, Ferdinand Jucik, Robert Breiner, Parniz Sigurdson, Peter Rohacek, and Oscar Aramayo.

According to the report presented by the attorney general's investigator, one of the main masterminds and perpetrators of the arms trafficking scandal, the forgery of official documents, the use of those documents, and the corruption of officials at the General Staff level and possibly at Bolivian embassies in Europe is Portuguese citizen Jose Saldahna Souza Meneses. Souza established a close relationship with Bolivian citizen Carlos Terceros Contreras to organize major arms smuggling to the Balkans, where a bloody civil war currently is under way.

Moreno travelled to Portugal, Spain, Germany, Bulgaria, Israel, and Russia to investigate the use of forged official documents to purchase modern weapons.

During the investigation Saldahna admitted receiving "final destination" documents with the signature of forged military authorities provided by Israeli citizen Joshua Waltron and Matityane Cheremesky.

Saldahna admitted visiting Bolivia on two occasions and meeting Carlos Terceros Castro and various military officers, including a general known by the nickname "Russian." Saldahna testified that he was a simple mediator between the Portuguese arms factory and its clients, in this case, allegedly the Bolivian Government.

Carlos Terceros Castro said he was the representative of the Portuguese firm ETEM [expansion unknown]. Terceros was arrested in Bolivia at the same time Robert Breiner, Parniz Sigurdson, and Peter Rohacek were arrested in Spain.

The arrests in Portugal, Spain, and Bolivia prevented the massive contraband of more than 390,000 submachine guns and 30 million rounds of ammunition for use in the Balkan civil war.

The investigation uncovered the participation in the scandal of official guardians of final destination documents with the letterhead of the 4th Logistics Department who "sold" the important documents for $300. The documents were used by the arms merchants who also used the name of Bolivia for the indiscriminate purchase of highly sophisticated weapons such as the modern T-72 Russian tank and diverse types of submachine guns. [passage omitted]

Former Defense Minister Admiral Saenz Klinski is not involved in the scandal and his participation in the case is reduced to authorizing the purchase of 700,000 rounds of ammunition that never reached Bolivia.

Klinski's situation, however, is not very clear yet because the Military Board, comprising the defense minister, the Armed Forces commander in chief, and the commanders of the three military branches (Army, Air Force, and Navy), did not approve the purchase of any weapons, least of all the 700,000 rounds of ammunition Cofadena requested for the Armed Forces. [passage omitted]

Government Accuses Supreme Court President of Accepting Bribes

PY2010205293 La Paz Television Nacional Network in Spanish 1700 GMT 20 Oct 93

[Excerpt] Supreme Court President Edgar Oblitas has been charged with committing extortion and accepting bribes. The government presented a videotape as evidence, and Congress will decide if Oblitas will be tried for malfeasance. Amalia Pando reports the details.

[Begin recording] [Pando] The previous government failed in its attempt to try some Supreme Court justices on charges of malfeasance. The new government will try again. The evidence behind the charges of accepting bribes will be sent to Congress tomorrow because only Congress can decide whether the Supreme Court justices headed by Supreme Court President Edgar Oblitas will be tried. There are rumors that Oblitas will resign in the next few hours.

[Unidentified spokesman] We want to inform you that we have discovered a very serious case of corruption directly involving honorable Supreme Court President Edgar Oblitas and Justices Ernesto Poppe and Hugo Dellien. [end recording] [passage omitted]

Brazil

Franco Says Fiscal Reform Not Undermined by Corruption Probe

PY2010231193 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 20 Oct 93

[Text] President Itamar Franco said he is convinced that charges brought against congressmen and the work being carried out by the CPI [congressional investigating committee] concerning the budget will not undermine the constitutional revision and fiscal reform projects.

This report was released by PSDB [Brazilian Social Democracy Party] President Tasso Jereissati, who was at Planalto Palace today. Jereissati extended the party's total support to President Franco. He said the president of the Republic is an upright man who is dedicated to solving problems in an effort to help Brazil overcome the crisis.

Finance Minister Cardoso Interviewed

PY2010165093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Oct 93 p B4

["Exclusive" interview with Finance Minister Fernando Henrique Cardoso by correspondent Reali Junior "a few hours before leaving Paris"]

[Text] [Junior] What is your evaluation of your visits to the United States and France, in light of the French Government's clear support for Brazil with regard to the IMF, and in light of the reservations of U.S. banks?

[Cardoso] I believe the visits were made at the right time, at a time when those countries are realizing that the Brazilian economy is developing its potential. In fact, a positive signal by the government is enough to accelerate the economy. France understands this, as far I could gather from my meetings with Prime Minister Edouard Balladur, the foreign minister, and ministers in the economic area. All of them mentioned that fact, and one even used a significant expression: "exceptional performance." In a world in recession, Brazil at least is growing. In the United States this situation is more difficult to perceive. They are very much worried about inflation and fiscal policy. This is surprising, if nothing else, because the U.S. fiscal situation is a disaster, and their deficits are enormous. Perhaps this is why they have insisted on the subject, warning us about it. In addition, I found a very favorable predisposition, even personal, in some European leaders. For example, there was no reason for the French prime minister to meet with me. He usually meets only with chiefs of state. He granted me an audience on a very difficult day, during a serious crisis within the GATT talks. This unequivocally shows that he wants to help Brazil. In the United States I met with Vice President Al Gore, who also had no reason to grant me an audience. This is certainly because of Brazil, because I am simply a bearer of a message from the Brazilian Government. In those meetings I strongly insisted that this is the government's position. Brazil is sometimes said to be growing, but with high inflation rates, or that a certain minister is bad and another is good. That's not the point. The situation in Brazil is being understood as that of a country which does have a present, and not only a future. I could feel this in the past few days, on both sides of the Atlantic.

[Junior] It has been said that the French Government's open support for Brazil with regard to the IMF will in

turn require Brazil's support for the French within GATT. How far can Brazil, a Cairns Group country, shift in that direction?

[Cardoso] The Brazilian position on the subject is as follows: We are in favor of multilateralism, and we want broad access to markets. The French position, which was outlined by the prime minister and ministers in the economic area who are involved in the negotiations, is in agreement with us on that point. They insisted that they do not intend to make negotiations in other fields more difficult just because of the farm product conflict. What they do not want is to care for the farm product conflict alone, disregarding access to the markets. What the French want is multilateralism, but not as the expression of the will of one single country—this was a veiled allusion to the United States. In Brazil there are people who believe that we will collide head on with France. This is true, but only to a certain extent. For example, we export soybean cakes, which French cattle eat. As can be seen, there isn't quite a direct contradiction between France and Brazil. We should always care for our interests, which do not always involve one single position.

[Junior] How much can Brazil approach France, within GATT, without creating a more delicate situation with Cairns Group members?

[Cardoso] Our interests do not exclude progress on both fronts. The fact that we are interested in broader relations with France within GATT does not mean that we are not also determined to maintain very positive relations with the United States. Many people asked me about NAFTA the last time I visited the United States. I also asked many questions myself. What will happen in this area? The answers I received were not concrete. They still do not know when the agreement might go into effect. Many people suspect that Brazil opposes oppose it. I told them that Brazil was not against the agreement, and that the treaty involved only Mexico. We are following the process closely, watching what happens. We want to avoid hasty decisions and say "open the doors" when the countries are not interested in opening them. In this way we will not be seen as knocking on closed doors. We will think about it if the doors open. What we do not want is to have agreements that prevent us from having broad trade relations with everyone else.

[Junior] Do you think an evolution is possible in this sense? After all, we are not witnessing the creation of "fortresses" by two developed centers, the United States on one hand and Europe on the other.

[Cardoso] I have always tried to use the Mercosur [Common Market of the South] example. Mercosur is not being conceived of by us and our partners as a fortress. France says it does not want to see Europe transformed into a fortress. I think that is a positive position. Any attempt to isolate a country or a group of countries today is negative. I think we have a common working area in GATT, even while recognizing the difficulties in the area of services. We have difficulties in the area of patents, but the obstacles with the United States in this field have been significantly reduced. Today only three or four controversial points remain. Some of those points are very important, such as the so-called "compulsory licensing" that will give us the possibility of demanding the local production of a certain medicine in answer to a public need. We want to discuss this point in detail, even though it does not seem we have points in common with the U.S. viewpoint.

[Junior] How does one prevent broad cooperation from hurting the national interests of other countries?

[Cardoso] I am convinced that today we need broad schemes of cooperation, but each country has its own interests. Broad cooperation cannot make specific local interests disappear. Even though France and the United States—as in GATT—play on different teams, and Brazil belongs to the Cairns Group, which has an anti-French position, we must remember that we are not only large exporters of agricultural products, for we also export large quantities of industrial products, and our most important client is Europe. This is why France might be more sensitive. I noted that possibility during my latest trip to Europe. Brazil must take a mature position. It must not be anti-this or pro-that. Brazil must defend its own interests. We can walk together with France as long as the two countries have this kind of understanding.

[Junior] You have said that you have changed your mind about cutting into allocations for states and municipalities. You have also said that increasing revenues does not necessarily mean more taxes. Some groups have reacted rather vigorously to these measures, anticipating a difficult period in the next few months. How do you intend to administer this difficulty?

[Cardoso] The word cut does not give the clearest idea of what we need to do. The difficult part of the 1994 budget has still not occurred. It does not exist. It has not been implemented. The 1994 budget was prepared to show the country what resources we needed in order to look after present needs. If the budget as it is drafted is implemented, and interest on the debt is paid, the deficit will be more or less $25 billion. This does not mean the budget will be implemented the way it has been worked out, but Brazil will have to answer a basic question. What does society want from the state? What type of state does it want? To look after what needs? Once these questions are answered the needs will have to be financed adequately. I cannot speculate about the 1994 budget based on the 1993 budget, because we are going to have a tax reform. I think the reform must essentially simplify the tax system and enlarge the tax base, allowing for more revenue.

If nothing changes next year we will collect $85 billion in revenue, the largest amount in history. I am not saying that people will begin paying more to the government, even though we might have a tax increase here and there, particularly now that we still have two months to go in

1993 and have no money. We could close an agreement on tax rates, something temporary. We cannot think about society simply as money contributors. It is also necessary to think about what to do with the money. That was what I said. We have difficulties, but we will be able to manage them if we have a constitutional reform and a fiscal reform, that is, a different tax base with an eventual tax increase. If that occurs we must also have a more rational distribution of expenditures. What I said was that I must make the appropriations for states and municipalities established in the Constitution, otherwise they will incur debts, which does not resolve things at all. Eventually, if the federal government collects more revenue, we may then assume that tax collection will also increase at municipal and state levels. If everybody makes a fiscal effort we will be able to allow states and municipalities to increase their taxes, otherwise we will not. That issue is being interpreted as cutbacks, but it is much more complex than that.

[Junior] Is the country in a position to withstand such a policy, because one way or another it will result in major budget cuts?

[Cardoso] The country needs that. Brazil must make a major fiscal effort. If it does so, then we will be in a position to do what Brazil wishes, namely, to have a stable currency. We will never be able to stabilize our currency if we have a significant budget imbalance. I wanted to show that there is an important budget imbalance in next year's budget. Brazil will have to do that. It is obvious that in order to achieve that objective it is necessary to have a strong will, a will which is not mine alone, but that of a group of forces. I am willing to put my shoulder to the wheel. When I assumed office as finance minister many people said that I would not be able to hammer out a debt rescheduling agreement with the states, because the governors would put pressure on me. All state debts were restructured, and I did not allow any governor to look for money elsewhere as long as he did not reschedule his state's debts—and we managed to do that without bragging or causing a hue and cry. I have a resolute will to do that, and so does the president of the Republic. The other day I told him, in the presence of other ministers, that it was not a matter of the finance minister wishing to accomplish something, but rather the government had to tell the people that as things stand now they must either make the effort right now, or else they will not have a stabilized currency. I have no doubt whatsoever that if we give clear indications that we are able to control the budget, then we will be deluged with money.

[Junior] How are European and North American businessmen disposed toward making new investments in Brazil?

[Cardoso] I met a group of French businessmen in Paris this week. We talked for more than two hours, and I sensed they were favorably disposed toward investing in Brazil. I had the same feeling in the United States and Japan. They do not establish conditions, but they have doubts, and therefore ask: How is government spending going to be curtailed? And will inflation become rampant? That is important for us, and if we manage to control those key aspects then there will be an influx of financial resources. This is why it is of utmost importance to put a brake on public spending for six months, so that we will be able to have days of plenty in the future. Some people contend that I will implement a policy of recession, and they are right. At present, the private sector is the driving force of the economy. What I am going to check is the disarray in the public sector, because by doing so I will be contributing to the country's growth rather than furthering a recessive policy. Moreover, the state is no longer investing, and has nobody it can turn to. What is more, balancing government accounts will not be accomplished unless state-owned enterprises are privatized. We have to speed up and broaden the process so that a greater number of citizens, a greater portion of the people, may share in the privatization effort. This will in turn ease the tax burden. The more money we can obtain from privatizations, the lighter the burden of taxation will become. The equity in state-owned enterprises is quite considerable. It has been estimated that next year's deficit will run at $25 billion, whereas the primary deficit will be $11 billion. It would be relatively easy to obtain this latter amount from privatizations in Brazil.

[Junior] But according to what you, Mr. Cardoso, could see for yourself both in the United States and Europe, inflation continues to be the big question mark that international financial circles have about Brazil. What will happen if inflation climbs to 40 percent? There are people betting that inflation will reach the same levels as at the end of the Sarney administration.

[Cardoso] We will never allow such a thing to happen. That would have an extremely high social cost. When we discussed the wage hike I was very much opposed to pay increases being pegged at 100 percent of the inflation rate. There was a considerable transfer of funds, which gave rise to several sources of inflation. I do not question the fairness of the issue concerning civil servants, but the government spends a lot of money on salaries. All this, coupled with interest, fuels inflation. It is not desirable that inflation should climb to 40 percent a month. It would not even be desirable that it should run at 10 percent, let alone 40 percent. This all leads us to conclude that one ought to forcefully show the need for fiscal reform. Obviously, should there be any indication of possible hyperinflation, measures would be implemented right away. To a certain extent, inflation offers some solutions in the sense that all assets become liquid, but its social cost is much too high, and we are not willing to pay such a cost. I can assert once again that there is a lot of speculation now after the 15th day of every month, even though the inflation rate is not as high as was estimated. All this stokes the furnace of inflation, because—let us say so plainly—inflation has its partners. Banks, the financial system as a whole, the government, companies that invest in the financial system, they work

all in partnership with inflation—even the public banking system itself is heavily dependent upon inflation. The people should become aware that this is not an easy struggle. The people are the only ones who are not inflation's partners, because they always end up the victims. It is no longer possible to compromise with inflation, or to argue that the problem of inflation will be overcome if the country's economy grows. This is not true, because if recession does not solve the problem of inflation, neither does growth. Inflation has its own dynamics, which must be targeted. Granted, it is easier to combat inflation with growth, but this cannot be used as a pretext for not implementing a draconian policy to curb inflation by reducing government spending.

[Junior] What do you believe will be the outcome of this budget cut? What are your projections for achieving a zero deficit within one year?

[Cardoso] If we implement the constitutional reform we will achieve it. We must also proceed with the privatization process. All of this requires political will. With political will, and by tackling the fiscal deficit, I believe we will achieve the zero deficit by late next year.

[Junior] Could legal problems further delay the achievement of the government's objectives?

[Cardoso] It is true that we have gone from a situation where the courts said almost nothing on individual rights and on the financial section—you will remember that all past programs were approved without objection—to a situation where the courts restore individual rights. I understand that this was prompted by the reinstatement of democracy, but in the people's eyes it has undoubtedly created great cash flow problems. Following court rulings, and within barely two weeks, we stopped collecting the IPMF [Provisional Tax on Financial Operations] and began paying social benefits in rural areas. This involved a total of $5 billion within one month. This makes balancing the fiscal account even more difficult. During the constitutional reform, I believe it would be very useful to approve some measures to allow a partial swapping of debt notes for bonds, to gradually extend the period on overdue repayments, and even to include in the budget the required funds to meet court rulings. Measures like this are essential to achieve a balance and to help the cash flow situation, which is difficult.

[Junior] Considering the possibility of increased inflation, could the wage policy be reviewed?

[Cardoso] This will not be necessary because the wage policy allows for adjusting wages according to inflation. Following lengthy discussions between the Finance Ministry and the Social Security Ministry, we implemented a policy that, to a certain extent, protects salaried workers and is adjusted for inflation. Frankly speaking, there is no mechanism to preserve the purchasing power of inflation-ridden salaries. No matter how badly needed, this goal cannot be achieved. This is another reason to state that we must be firm. We cannot compromise the public deficit. It is better to be unpopular now and secure a good position for Brazil than to receive unwarranted applause today and to leave problems that will hinder society, blaming those who lacked the courage to be firm. I promise you that I will be firm enough.

Financial Situation, Need To Privatize Embraer Viewed

PY2010213893 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Oct 93 Section 1 p 11

[Article by Elvora Lobato]

[Text] Only privatization can save Embraer [Brazilian Aeronautics Company]. Its debts total $900 million and, since January 1990, it has accumulated $827 million in losses—corroding 95 percent of the company's net assets, which dropped to $23 million last July. Shareholders believe the assets will become negative before the end of the year, which would mean bankruptcy if Embraer was not state-owned. The law does not allow state-owned companies to go bankrupt or call creditors meetings.

To privatize Embraer, the government will have to absorb between $500 million and $600 million in debts. The company's financial reorganization is being analyzed by an interministerial committee, comprised of representatives of the Treasury, the Planning Ministry, the National Bank for Social and Economic Development, and the Air Force. It has been learned at Embraer that the proposal contemplates canceling the $438 million debt to the Bank of Brazil (which would be taken over by the Treasury) and the payment of other short-term debts.

Embraer should have been auctioned last January. Embraer Financial Director Manoel de Oliveira has said that each month's delay in the company's privatization costs $8.2 million in interest to "roll over" the debt on the financial market. Losses accumulated in the nine months totals $57.5 million, and will total $100 before December.

Embraer needs $300 million to finish building a 50-seat jet (EMB 145). Foreign orders have already been received for 132 of this aircraft. Embraer Director Ozires Silva said that there is no chance of obtaining funds from the Treasury. This is why privatization has become a must.

The U.S. Continental Bank is the second largest Embraer shareholder. Its director, Henrique Larroude, blames the government for the company's ruin. Larroude said the government "gradually swallowed Embraer" by ordering it to develop projects of interest to the government—such as the AMX fighter bomber and the CBA-123 aircraft—which cost the company some $400 million.

The Continental Bank and four other foreign banks (Tokyo Bank, Bank of America, Foreign Trade French Bank, and the Arab Bank Corporation) in 1989 invested $100 million in Embraer shares, buying 48.9 percent of

the company's capital at $0.84 per share. In the last three years the banks have not received any dividends and the share value has dropped to $0.04.

The CBA-123 project is responsible for almost one-third of Embraer's debt. This 19-seat aircraft project, which was ordered by the Brazilian and Argentine Governments, cost $280 million but never went beyond a prototype that was dedicated in 1991 by Presidents Carlos Menem and Fernando Collor. The Brazilian Government promised to buy 40 units and the Argentine Government 20 but neither of them honored this commitment.

The Aeronautics Ministry also did not fulfill its commitment to buy 22 AMX fighter bombers last year, even though Embraer had already produced $100 million worth of spares and equipment on account of this order.

Ozires Silva said that the money spent on the CBA-123 project (which up to now is considered an investment) will appear as a loss on Embraer's annual balance sheet, increasing Embraer's financial difficulties. The foreign banks want the government to buy back the project and want future Embraer owners to pay royalties to the government if they decide to market this product.

Several factors have ruined the company: Sales have dropped by 50 percent during the past three years; the Tucano aircraft production line is the only one really busy, with an order for 80 units by the French Government; the production of Brasilia aircraft, its main product, is just two units per month (it was six in 1991) and the production of AMX aircraft is one unit per month because the budget does not cover the Aeronautics Ministry's purchases.

During the past two years the number of Embraer employees has dropped from 12,573 to 5,773. At the Embraer headquarters in Sao Jose dos Campos, prior to 1989 a total of 106 enterprises depended on the company. These enterprises, which employeed 900 people, billed $27 million per year. Now they are just 26 mini-enterprises, with 36 employees, which bill just $1 million per year.

Chile

Government Withdraws Bill Reducing Presidential Term

PY2110013893 Santiago Radio Cooperativa Network in Spanish 2200 GMT 20 Oct 93

[Text] At 1910 today, Senate President Gabriel Valdes announced in the Senate that the bill reducing the presidential term was officially dead. The withdrawal of the bill followed a coalition parties' petition to the government this afternoon. The process was long and complex and ended because of an obvious lack of agreement on the necessary steps and the certain possibility that 14 senators were going to file a lawsuit at the Constitutional Court to stop the study of the reform.

The government heeded the clear petition by coalition parties despite the fact that some groups hoped until the last minute that the reform was going to pass against all indications to the contrary.

Gabriel Valdes explained the meaning of the decision:

[Begin recording] The government withdrew the initiative because of the difficulties in approving it and due to other reasons the president might have had, which I understand. Today we reached a point where we had to create a commission of unheard-of characteristics in a period that is too close to a presidential election. Many spokesmen and public opinion organizations were already calling for total clarity with respect to the person who was going to be elected president and the duration of his mandate. From my viewpoint, this decision is totally satisfactory. [end recording]

President Patricio Aylwin's decision to withdraw the bill means that the president elected on 11 December will have an eight-year mandate. Senate President Gabriel Valdes denied that the bill's withdrawal meant legislators had failed because it was no longer opportune to continue discussing the reform to reduce the presidential term.

* PDC National Council: No Privatization of Codelco

93SM0433B Santiago EL MERCURIO in Spanish 26 Aug 93 p C3

[Text] The vice president of the Christian Democratic Party (PDC), Felipe Sandoval, reported yesterday, 25 August, on the resolutions reached by the party's National Council regarding the future of the Copper Corporation (Codelco), which state essentially that the firm, its mining ventures, and what are defined as reserve assets, will remain in state ownership.

This resolution, adopted unanimously by the PDC Council, also states that the 10 percent of Codelco's sales that must be allocated each year to the Armed Forces create administrative problems for the firm and in the allocation of its resources. The Council proposes, therefore, that these payments be made from the national budget, "which represents a sound standard of financial administration, efficient as well as clear."

Regarding the present organization of the company, the resolution points out that the company must rely on an efficient administration that permits improvement in the company's competitiveness and the development of new techniques, and therefore Codelco will tend toward the creation of independent units with greater degrees of autonomy to carry out its programs of individual development, "where this approach offers a better administrative and developmental alternative for the company."

The resolution, made public yesterday by Sandoval, was reached in a session of the PDC last Monday (23 August), during which Minister of Mining Alejandro

Hales spoke. At the end of his speech, the state secretary declared that Codelco would not be privatized during this or any future Concertation government.

The PDC National Council based its resolution on a study prepared by the PDC's political-technical mining committee headed by Guillermo Atria, in which more than 50 party, government, and independent professionals worked for a year.

Atria stated that the purpose of the study was to reach a larger consensus on the subject and that the Council's resolution aims at the creation of a frame of reference for a future Concertation government on the matter, as well as the projection of long-term plans for Codelco.

This resolution at the party's request puts an end to a long discussion and to a number of internal disagreements which included the departure last year from the presidency of the PDC's Treasury Committee of Pedro Calvo, when he demonstrated his readiness to study the privatization of Codelco.

To strengthen the position of keeping Codelco under state ownership, the Council's resolution points out that, as a public enterprise, Codelco has been profitable for Chile, producing about 20 percent of fiscal revenue, 4 percent of gross domestic product, its investments represent about 25 percent of state investments and its exports 24 percent of the national total.

As a result, the resolution continues, the state has been able to invest important sums in education, health, public works, and other activities.

Without prejudice to the decision to keep Codelco in the state sector, the PDC Council says that a joint venture will be conducted by Codelco and the private sector, under the new law on copper, number 19,137, which will cover exploitation as well as exploration for mining resources, as well as in other areas permitted by law.

On this point, Felipe Sandoval explained that, according to that legal provision, the participation of private entities in the exploitation of Codelco deposits not now being exploited, except for those considered to be reserves, such as the "Radomiro Tomic" field.

The PDC Council also agreed that Codelco will keep as its mission "the efficient development and administration of mining and related business activities for the purpose of maximizing, over the long term, the generation of profits and their contribution to the Chilean state, with ecological responsibility."

It goes on to say that the competitiveness of the world's copper industry, together with technological change, urgently compel Codelco to face serious challenges, and therefore, "cost reduction and an increase in productivity will be among the corporation's many permanent objectives."

With regard to the labor situation, the PDC resolution states that it is absolutely necessary to institutionalize the dialogue with union leaders inside the company, and that the dialogue should include mutual rights and obligations in the process of Codelco's competitive transformation, "because the competitiveness of the firm should not constitute a threat but a greater guaranty of its future stability."

Colombia

Congress Approves 1994 General Budget

PA2010145693 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 20 Oct 93

[Text] The Senate approved the 1994 general budget law with 48 votes in favor and 41 against. The initiative includes 100 billion pesos for regional investments, which many senators see as hidden appropriations [auxilios disfrazados].

The Chamber of Representatives approved the bill by a broad majority: 106 votes in favor, 18 against.

Socialist Renewal Current Willing To Resume Peace Talks

PA2010214493 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 20 Oct 93

[Report by Victor Lopez from the "Up to the Minute Caracol" newscast]

[Text] Cartagena—The Socialist Renewal Current [CRS], a faction of the ELN [National Liberation Army], has announced that it is willing to resume peace talks with the government as soon as Government Minister Fabio Villegas visits the Flor del Monte camp. The visit is scheduled to take place some time this week.

CRS spokesmen Gabriel Borja and Jacinto Ruiz said their organization has already prepared a new agenda for the talks. Meanwhile, officials in charge of the National Rehabilitation Plan said preparations are going well in the building of camps that will house more than 200 CRS rebels.

Cali, Medellin Cartel Members Allegedly Flee to Brazil

PA2010231293 Santa Fe de Bogota Invasion Television Cadena 1 in Spanish 0130 GMT 19 Oct 93

[From the "TV Today" newscast]

[Text] There has been a mass exodus of Colombian drug traffickers to Brazil because of the persecution they have been subjected to in our country. These drug traffickers belong to the Cali and Medellin Cartels, and in Brazil they direct drug trafficking as well as cocaine production operations.

Outgoing Colombian Ambassador to Brazil Guillermo Alberto Gonzalez reported on the dramatic increase of Colombian drug traffickers operating in Brazil.

[Begin Gonzalez recording] People who have been in jail in Brazil on drug trafficking charges have said they have connections to the Colombian cartels. This news was released by the Brazilian Government, as well as by local governments in cities such as Belem and Rio de Janeiro. [end recording]

Gonzalez said that some drug processing laboratories are operating in Brazil's extensive Amazon jungle. The Colombian-Brazilian connection was uncovered after evidence surfaced following the scandal in which Pablo Escobar was apparently in Brazil and left after bribing two policemen and a high-ranking Brazilian official.

The Rio de Janeiro police say that international drug trafficking with the participation of Colombian drug traffickers is being investigated by federal police. In the next few hours Brazilian police representative Mr. Ruiz Pinto De Sousa will arrive in Colombia to investigate Colombian-Brazilian drug trafficking connections and Pablo Escobar's possible stay in Brazil.

Campaign Activities of Candidates Samper, De la Calle

PA2010231793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Oct 93

[From the "NTC News" newscast]

[Text] During a campaign trip in Antioquia Department, Liberal presidential hopeful Ernesto Samper Pizano said the industrialized countries cannot continue to blame Medellin for the drug problem.

[Begin Samper recording] I cannot let anyone make our country a Vietnam in the fight against drug trafficking. We Colombians must show the world that we are not the executioners but the true victims of the drug problem. [end recording]

Samper criticized the economic opening process before union leaders, homemakers, and students, arguing that this process will increase unemployment.

Meanwhile, Liberal presidential hopeful Humberto De la Calle Lombana said during a campaign trip along the Atlantic coast that Colombians deserve honest and innovating candidates. On 18 October, De la Calle visited Barrancas in La Guajira, where the coal festivities took place. At these festivities, he emphasized that Colombia should continue to follow a development model.

Ecuador

Police Use Tear Gas To Disperse Striking Teachers Near Presidential Office

PA2010215593 Madrid EFE in Spanish 2043 GMT 20 Oct 93

[Text] Quito, 20 Oct (EFE)—The Ecuadoran police today surrounded Carondelet Palace and used tear gas to dislodge a group of teachers who managed to get past a cordon and shouted antigovernment slogans near President Sixto Duran-Ballen's office.

Preschool, elementary, and high school teachers, who have been on an indefinite national strike since 4 October, retreated, set tires ablaze, and again clashed with police in the streets adjacent to Carondelet Palace. There are no official reports of arrests.

Following the incidents, Public Administration Secretary General Jose Vicente Maldonado said that within the next few hours the government will disclose the names of striking teachers who are going to be replaced.

Maldonado denied that the dismissals will affect most of the 120,000 teachers of the National Union of Teachers (UNE), "because not all of them have refused to work, nor have they all behaved in an unpatriotic and unprofessional manner," he said.

UNE President Gustavo Teran denied that the teachers' strike has only received partial support and reiterated that the teachers "have been instructed to occupy Finance Ministry facilities, Education Ministry facilities, and the offices of governors in every city, as well as to block and occupy highways."

Government Minister Marcelo Santos announced that the government has decided to accept the church's mediation in an attempt to end the strike. Santos warned, however, that this does not mean there is a possibility that the government will revise its decision to raise teachers' salaries by 15 percent, half of the amount demanded by UNE, which has deprived more than 1 million public school students from attending classes in cities and the countryside.

Government Returns 'Unacceptable' High Interest IDB Loan

PA2010234093 Madrid EFE in Spanish 1748 GMT 16 Oct 93

[Text] Quito, 16 Oct (EFE)—It was announced on 16 October that Ecuador will return to the Inter-American Development Bank (IDB) a loan for $100 million because of the high interest rate charged, which doubles the 4 percent rate the World Bank (WB) has established for that country.

"We are returning the $100 million to the IDB because the loan was made under terms that are totally unacceptable to Ecuador," Leonardo Stagg, manager of the government agency National Financial Corporation (CFN), told journalists.

The loan was requested to create a multisectorial line of credit to promote productive activities in Ecuador in different areas.

Stagg said the loan was granted in various currencies in an agreement "under which Ecuador faces not only the risk of a devaluation of the sucre (the Ecuadoran currency) with respect to the dollar, but also of the dollar

with respect to the yen and the German mark with respect to the Swiss franc, which traditionally have been stronger than the U.S. dollar."

Stagg said Ecuador is already in the process of requesting a loan from the IDB for the same amount in one currency and under the conditions established by the World Bank.

IDB President Enrique Iglesias will arrive in Ecuador on 17 October to participate in a Latin American meeting on small and medium enterprises, which he will inaugurate in Quito.

The IDB has traditionally been one of the main financial sources for development projects in Ecuador, which has received 114 loans from that institution totaling $2.577 billion.

So far in 1993 the IDB has granted Ecuador credits for $7.2 million in four disbursements as part of its technical cooperation efforts, which do not include the $100 million that was returned.

Paraguay

Wasmosy Urges Greater Support for Democratic Process

PY2010153093 Asuncion ABC COLOR in Spanish 20 Oct 93 p 9

[Excerpt] President Juan Carlos Wasmosy has thanked the Colorado Party precinct presidents and mayors of Alto Parana Department and the representatives of the Colorado Party Engineers Association for their support. These people yesterday went to Government House to convey their support to the chief executive, and to ask the president to keep them in mind "for any task or undertaking."

The president told his visitors that he needs "everyone, regardless of their political preferences," to build the new Paraguay. He said that this task requires support especially from "caudillos, prominent and influential people, each within his or her sphere of influence, to create an atmosphere favorable to investments so that there can be development, jobs, peace, and economic stability."

Wasmosy warned that unless the economy is shored up "the democratic process will be at risk." He emphasized that "there are too many people against it."

The president stated that the administration has launched an all-out attack on crime, adding that some results will be made known today, and there will be surprises.

Wasmosy added: "Gentlemen, we are, however, being invaded by people from neighboring countries who are coming to destabilize this country."

Wasmosy said that every possible effort is being made with the police, and added that he hopes "the national Congress will not cut national defense, police, or presidential office budgets, so we can fight very powerful people, who have a lot of money, are well equipped, well armed, and who actually help to destabilize the country, like the drug traffickers."

The president emphasized that "these people are undermining the very foundations of society, such as family and youth." He urged his visitors to help build an atmosphere favorable to democracy, in which corruption and crime would be fought. [passage omitted]

Argentina Maintains Claim to Parana River Islands

PY2010194093 Asuncion HOY in Spanish 20 Oct 93 pp 10, 11

[Text] The Argentine Embassy in Asuncion released a communique in which the administration of Argentine President Carlos Menem categorically stated that as far as the Argentine Government is concerned there is no dispute or conflict between the two countries over the sovereignty of islands in the Parana River.

The communique stated that Argentina has sovereignty over the islands in question in keeping with the resolution of the Joint Border Demarcation Commission as set forth in the document signed on 9 August 1991.

Argentine Ambassador to Paraguay Raul Carignano met Paraguayan President Juan Carlos Wasmosy on 19 October in the morning and conveyed to the president the Argentine Government's official position on the Parana River islands. Carignano stated that the Joint Border Demarcation Commission had established the border between the two countries and the ownership of the islands in line with the border treaty signed on 3 February 1876.

The communique states that the special protocol attached to the final border treaty dated 1 June 1945 makes it clear that the decisions of the bilateral Paraguayan-Argentine border commission are final. "Once the appropriate documents are signed the decisions of the aforementioned joint commission can no longer be amended or changed," according to the Argentine Embassy communique.

The Argentine Embassy also lamented incorrect reports disseminated by Paraguayan news media depicting as conflict-ridden and uncertain a situation the Argentines view as perfectly clear and definitive.

The embassy criticized the fact that ignorance or error led to the dissemination of distorted reports that undermine the true efforts of the two governments to strengthen a very special relationship of friendship and cooperation.

Ambassador Carignano stated at Government House that the Parana River canal is variable; sometimes it is closer to the Paraguayan side and sometimes to the Argentine side of the river.

This variability sometimes places the islands, which are Argentine, in Paraguayan jurisdictional waters and then back in Argentine jurisdictional waters.

The 1876 border treaty states that the border between Paraguay and Argentina is the middle of the main channel, that is, the navigation channel. As for the islands' ownership, it is based on whether they are closer to the Argentine or Paraguayan mainland.

It is worth pointing out that the Paraguayan Chamber of Deputies already has expressed its concern over the matter and asked for a report.

The Paraguayan Government will apply the ostrich principle (hiding its head in the ground) to the quest for a solution to the problem of sovereignty over the Parana River islands. President Wasmosy's foreign minister, Diogenes Martinez, described Paraguay's strategy the following way: "Time is the best remedy; it helps establish facts needed to formulate a valid opinion."

Asked for a better explanation of Paraguay's position, taking into account that from the very beginning he has been resorting to rhetoric, the foreign minister simply asked for a "calmer approach," adding that Paraguay wants to maintain good relations with its neighbor.

Asked whether the documents signed by the Joint Border Demarcation Commission were valid, Martinez resorted to generalities by saying: "They are as valid as one intimately believes them to be," which in plain language means that one can interpret them as one pleases, which is unthinkable as far as a bilateral document is concerned.

Diogenes Martinez said he has spoken with his Argentine counterpart on the subject and they did not reach an agreement to call a meeting of the Joint Border Demarcation Commission. Before meeting Argentine Foreign Minister Guido Di Tella, Martinez proposed a meeting of the joint commission to review the guidelines used to establish the ownership of the Parana River islands. By doing so he implied that the documents signed in August 1991 are valid.

The Argentine Government is willing to reactivate the Joint Border Demarcation Commission provided everything done so far is acknowledged as valid. The Paraguayan foreign minister does not agree with this: "If that is going to be the basis for negotiation, let us leave everything the way it is," was the minister's position conveyed to Buenos Aires.

Paraguay wants to reactivate the commission to study everything it has done so far with the possibility of reviewing the islands' ownership.

Martinez believes the sovereignty issue is not something meaningless or simple, but despite being aware of it, rather than confronting the problem he chooses not to do anything.

Peru

CGTP Reports Labor Leader Rojas Grajeda Arrested

PA2010190793 Paris AFP in Spanish 0139 GMT 15 Oct 93

[Text] Lima, 14 Oct (AFP)—The General Confederation of Peruvian Workers (CGTP) on 14 October reported the arrest of labor leader Roberto Rojas Grajeda, whom the government has "falsely charged with terrorism." Rojas Grajeda "is currently under arrest at a jail in the Peruvian Department of Cusco, in the southeast Andean region. He has been accused of participating in riots and subversive actions in Cusco in 1981, although he was tried and acquitted at that time for lack of evidence," the CGTP said in a communique.

Rojas Grajeda is secretary general of the Federation of Cusco Workers, affiliated to the CGTP, and one of the construction workers' main leaders. He was deputy for the United Left Marxist Front from 1985 to 1990.

According to the CGTP, Rojas Grajeda was arrested on 12 October at a police checkpoint while traveling in his car from Cusco to Lima to participate in a very important labor meeting. The CGTP said that "Rojas is a hard-working labor leader who has clearly opposed terrorist actions (Shining Path). The government cannot deceive the public by sending opposition labor leaders to jail under false charges of terrorism. The government should not forget that the CGTP has suffered invaluable losses with the murder (by Shining Path members in 1992) of its Secretary General Pedro Huilca, its Secretary of Organization Juan Andahya, and its Secretary of Culture Pedro Orellana," the CGTP communique added.

CGTP leaders are members of the orthodox Communist Party of Peru (PCP) and are actively participating in the opposition's campaign for a "no" in the national referendum scheduled for 31 October during which citizens must approve or disapprove the new constitution drafted by the Constituent Assembly.

112 MRTA Members Surrender, Urge Others To Follow Suit

PA2110041593 Lima Global de Television Network in Spanish 0100 GMT 21 Oct 93

[From the "Direct Line" newscast]

[Text] As predicted by analysts studying the phenomenon of subversion, the MRTA [Tupac Amaru Revolutionary Movement] is on the verge of total elimination. On the Huallaga front, 112 members of the MRTA

surrendered to authorities and urged their comrades-in-arms to surrender. They urged leaders Nestor Cerpa Cartolin and Miguel Rincon Rincon to surrender because they have already lost the war.

The subversives also surrendered to the Army the largest arsenal ever seen in the area. It consisted of 360 units, including rifles, machine guns, rocket launchers, grenades, and sidearms, some of which were handmade.

In an exclusive report for "Direct Line," rebel leader Andres Mendoza, a.k.a. Grillo, was interviewed by an unidentified reporter.

[Begin recording] [Reporter] With Victor Polay behind bars and Nestor Cerpa Cartolini at large, what do you believe the future holds for Nestor?

[Mendoza] He has no future. I believe everything has been destroyed, and he should also consider taking the path we chose. He may still be able to save himself.

[Reporter] That was the testimony of Andres Mendoza Del Aguila, alias Comrade Grillo, who for four years was an MRTA leader in Huallaga. He has admitted there was no other path left to his group but unconditional surrender. Like him, more than 112 members of the MRTA operating on the Huallaga front, which includes San Martin and Huanuco, took advantage of the Repentance Law. On this front, the MRTA has been reduced to just 1 percent of its membership, which today amounts to only six men, for whom an intense search is under way in the Huallaga region.

Over the past 12 months, 301 repentant rebels—men and women of various ages—have surrendered. Many of them—like Judith, Grillo's wife—are simply waiting for the war to end.

[MRTA member "Judith," identified by screen caption] We have accomplished nothing. We are behind in our studies, and those of us who could have been doing something now cannot. We have to wait for our relatives to give us something. We have gained nothing.

[Reporter] These subversives are cooperating with the Armed Forces on the Huallaga front and in the struggle against subversion by going into the Amazon, where the Armed Forces are currently at war with Shining Path.

[Unidentified MRTA member] We are working on that. We are supporting one another in the war against subversion. In this case, trained personnel have been sent into the area.

[Reporter] They know the area, do they not?

[MRTA Member] They have been in that area and they know it well.

[Reporter] In addition to their surrender, since 15 August a considerable number of weapons have been recovered—367 in all. They were shown to us and we were the first to see them. Among the weapons were AKM rifles, R-15 rifles, mortars, rocket launchers, grenade launchers, machine guns, pistols, and homemade weapons. The Armed Forces have virtually annihilated the MRTA, prompting even repentant Shining Path members like Agustin to cooperate with the country in the military service.

[Agustin] My desire is to serve my fatherland.

[Reporter] In the Army?

[Augustin] Yes.

[Reporter] [Question indistinct]

[Agustin] Yes, I want to serve as a soldier. [end recording]

Venezuela

Defense Minister Munoz Leon Interviewed

PA1810170893 Caracas EL UNIVERSAL in Spanish 10 Oct Section 1 pp 20, 21

[Interview with Venezuelan Defense Minister Radames Munoz Leon by Carlos Croes at Fort Tiuna; date not given]

[Text] [Croes] Vice Admiral Radames Munoz Leon, 50, over 1.70 meters, sits back in front of a table full of rocks that are quite different to the ones that come from students during demonstrations or from the mouths of certain politicians who are adversaries of the current defense minister.

I arrived at Fort Tiuna without great difficulties. The guards had already been notified about the interview! And I started asking questions. I warned the minister that he would be free to refrain from answering certain questions and even to throw me out of his fort—but in a polite manner—because "I would not want even a first class arrest."

Munoz Leon's final comment was, you ask hard questions. He tightened his belt and confessed, "I have lost five kg since I took over the ministry. A forced diet. I seldom eat a full meal." To which I answered, no one eats complete meals in this country, especially with the IVA [value-added tax].

Across from his desk Munoz Leon has several tomes he describes as a summary of the subversion of the 1960's. He said he rereads them to compare past and present strategies.

The rocks, I ask, were they collected in Caracas following the riots? To which Munoz responded, "No, I collect them. Many people who know that I like rocks bring them from all over, and some I purchased."

During the conversation the minister outlined the Armed Forces' proposal regarding the present and future

democratic system. "I would not do that to my people," he responds to my question regarding whether he would lead a military coup.

That, he says, is part of his enemies' strategy: "They know that I was not one of former President Perez' ministers, and they are trying to link me to Perez; they know that I respect President Velasquez and they want to repeat tirelessly that I am seeking dual power; and they know that I respond to attacks against the FAN [National Armed Forces] and they are trying to question my sincerity. What they want is to distract the people with their empty discourse while overlooking the country's true problems. I am not willing nor will I tolerate being ordered to be silent."

Thus transpired a conversation with this Caracas resident born in San Jose. Earlier he had made a harsh statement. "The Armed Forces do not forget their dead." Was it a warning or a threat?

Neither, he said. It is a thought for those who believe we have forgotten. It was obviously intended for members of the MAS [Movement Toward Socialism] who participated in the guerrilla movements of the 1960's. To dispel any doubts, he added: "Not long ago was the 30th anniversary of the death of the National Guards in El Encanto," but he later corrected himself. "The murder; that is what it was, a cruel murder."

Munoz fixes his eyes on the ceiling. Then he looks at the rocks in front of his chair. Two hours exactly. A rocky interview and in Fort Tiuna, to boot.

What about those rocks on the table?

[Munoz Leon] I once visited Brazil, and I liked the variety of rocks I saw there. I brought a small box full. Thus began my hobby of collecting large, rough rocks. From that time on I have had the collection.

[Croes] Do you not collect birdshot?

[Munoz Leon] No. I do not fire them or collect them.

[Croes] How are things going? How would you characterize the country's current situation?

[Munoz Leon] At this time the situation is quiet. Reasons to create disorder always exist; right now it is the IVA, but the problem is a lack of information. If you understand the current communications policy you will have a better understanding of the situation.

[Croes] The IVA affects everyone.

[Munoz Leon] It affects everyone; no one is saved from it, but it is important to point out that staple products will not be affected. Some parts of the plan do not harm the lower income population, but I believe a person who purchases an outboard motor for his boat should contribute something to the state. There are many things in Venezuela that should be revised.

[Croes] Such as?

[Munoz Leon] Such as quarterly vehicle tax payments, for example. I believe that private vehicle owners should only pay a minimum ownership tax. Every Mercedes Benz or BMW owner can contribute to the treasury in another manner. I believe this is a need that must definitely be approved, most of all for control purposes. Here we pay less taxes than what we pay for a Coca Cola. A luxury tax is unnecessary.

[Croes] The population is reacting to the fact that current or past governments' failure cannot be solved by taxing the lower classes.

[Munoz Leon] I do not believe that is the practical sense of of the matter. In the United States there is an IVA tax, a state tax, and a federal tax.

[Croes] That is correct, but even those groups included in higher income brackets are taxed.

[Munoz Leon] Taxes are charges proportionally, and in some states they even tax food. You eat a hamburger and you pay taxes. Now, in this respect, the government cannot be blamed for this type of failure, especially when other countries have already implemented a tax similar to the IVA in a generalized manner without failing to include every taxpayer or every good. What is worthwhile mentioning is that it was necessary to implement this tax in Venezuela in order to cover certain economic limitations. I would not like to get involved in whether the economic limitations were as a result of appropiate or inappropriate policies. In this respect, the only thing I can say is that the passing of a special powers law, by a transition government such as this one, is evidence that at one time a proposal was made before congress which for some reason or another never received any attention. I am unaware of what these reasons are, and I would not like to venture an opinion on the issue. The fact that congress was able to pass emergency economic laws in a short period of time, however, makes one feel that it could have been done before without causing any major shock.

[Croes] Today I read a newspaper article that asks the following: What does the admiral want? What is the admiral really after?

[Munoz Leon] In reply to that article I must say that several things should be kept in mind. The article expresses accusations against me as part of a negative campaign against the Defense Ministry. I reported on this fact several days ago. I also called attention to the fact that, if the newspaper is scrutinized carefully the people will notice that those accusing me are always the same and always members of the same political organizations. Nevertheless, my reply to that newspaper article is as follows:

First, I was the last minister to be selected to form part of President Velasquez' cabinet of ministers. In other words, I do not understand how Teodoro Petkoff, the author of the article, can dare refute evidence of which the entire country is well aware.

[Croes] He associates you with Perez.

[Munoz Leon] His objective is to associate me with President Perez' administration. I am unconcerned and that does not worry me. What does worry me is how a political leader who says he is going to lead the country's destiny has decided to adopt positions of complete ignorance. Maybe it is being done on purpose. It is easy to forgive ignorance, but it is unpardonable if he is doing it on purpose, because he is then attempting to tarnish someone's image. In other words he is involved in a process of transforming public opinion against the Defense Ministry as part of a central plan followed by his political party against government institutions.

[Croes] What do you believe he is after?

[Munoz Leon] He is trying to discredit the statements I have made to the country. The easiest thing to do in order to accomplish objectives that are contrary to the country's realities is to put a gag on a defense minister who is telling the truth.

[Croes] What are these truths?

[Munoz Leon] The takeover of power under this political system.

[Croes] i t is not possible to say, however, that this is Petkoff's case because he is part of a formula that is expected to participate in the elections. In addition, he is leading the most recent polls voter preference polls.

[Munoz Leon] Exactly, then it is incomprehensible how he can adopt positions such as these as well as make such statements. Is it ignorance or does he have a specific purpose in mind? He is the only one who can clarify this issue.

[Croes] Former President Caldera even referred to a mafia. He says there is a mafia within the public sector and even in the Armed Forces.

[Munoz Leon] It is up to Caldera to speak more clearly and specify the so-called mafia within the Armed Forces. He was at one time commander in chief of the Armed Forces and knows the mafia quite well. He is making an affirmation that he will have to prove to the public. I have a great deal of respect for Mr. Caldera, but I believe he owes the country an explanation because he is allowed to talk freely. On the other hand, the defense minister is prevented from getting involved in certain things. In this respect, I would be the first to crack down on the so-called mafias within the Armed Forces, but I would like to receive concrete and practical charges. That is the reason why I have said that I respond to charges in court, because I cannot be replying over the television to any professional bigmouth any time they feel like making accusations.

[Croes] The minister is told to shut up and Luis Herrera [Social Christian Party, Copei, senator for life] has already told Andres Velasquez [Presidential candidate for the Radical Cause Party] to shut up. Will the minister shut up?

[Munoz Leon] I do not accept that type of suggestions because many of the people who give them do not have the moral principles to face the truth. I believe ideas should be refuted with ideas. I am not competing in the electoral bout. I am not thinking of launching my candidacy to any post. I do not belong to any political party. I do not have any electoral interest in the 5 December match. People who have such an interest must tell the citizens exactly what the country needs so they can win their trust. The government programs I have heard proposed up to now do not tell me anything. Nobody says how he plans to solve the economic problems. However, all of them are against the IVA. I believe you do not attain the people's trust if you do not present clear solutions to their pending problems. There are 44 collective contracts that are about to expire. How are they going to face this? How are they going to face 100 unions that are asking for more benefits? How are they going to do this? Can somebody tell us? They tell me to stop making statements. It is true, I have made statements, but I have not done so for the pleasure of it. I am answering those individuals who have used the Armed Forces as their target during the campaign. I warned them from the beginning: Get the Armed Forces out of your political diatribe because it is senseless. This, however, prompted several politicians to start their offensive campaigns.

[Croes] Does the Command Staff have a unified criteria regarding the Defense Ministry's handling of the political sector?

[Munoz Leon] Nobody knows the Command Staff members as well as I do. All the people who talk nonsense about the Command Staff—they comment on how the Command Staff meets and what they say or do not say—do not know what is going on. They do not know what we talk about or the topics we discuss. However, their spokesmen and military experts explain things we have not even discussed and talk about meetings to which they do not even have access. Those people are just inventing things and they are the same ones who, for years, have manipulated the opinions that are read in the newspapers and seen on television. They are the same people who have been deceiving the Venezuelans for many years and continue to do so.

[Croes] What will happen if this continues?

[Munoz Leon] The Venezuelans will have to realize who those individuals really are and when they vote—I have said this several times—they have to know exactly who they are going to vote for and if the conduct [of a candidate] is good for the country or not.

[Croes] There are people, who are not politicians, who say the Armed Forces are giving democracy a sort of promissory note until a few months after the swearing-in ceremony. Is this true?

[Munoz Leon] The desire of the Armed Forces is to have a country that advances, a healthy country, a country where there is personal security, a country that enjoys full democracy and has a good image in the international realm. The Armed Forces also hope Venezuelans will cast their vote and change the basic structures as those people have not given a coherent speech in 35 years. However, the Armed Forces believe this change must be achieved through democratic means and not with "de facto" measures. Thus, there is no promissory note. We simply hope the people's consciences will react, especially in the conscience of the country's leaders, so we can get on the right track and have confidence that we will progress. We hope to receive clear and truthful explanations on how we are going to overcome the current situation so that all Venezuelans, including the Armed Forces, can have the necessary patience to wait for progress based on detailed, clear economic policies and not on inconsistent positions—one day they agree with the IVA and the next they disagree with it; they agree with the World Bank when it is convenient for them and change their minds when it is not; people who say one thing in Venezuela and later go to a foreign country and say another. What we want, as a nation, is for things to be defined and that we know up to where and for how long we will have to tighten our belts.

[Croes] However, patience has a limit. Correct?

[Munoz Leon] Of course, there is a limit to patience but the patience I am talking about right now is that of the Venezuelans and not of the Armed Forces. We cannot assume a unilateral position. I believe the people can vote and this civic right will give them the necessary strength.

[Croes] Given the situation, do you think the Armed Forces are willing to continue to maintain this system "intrinsically" with all its problems that, based on what we have seen in other countries, we all know will not be solved?

[Munoz Leon] I believe that at this time the Armed Forces are clearly convinced that the democratic system has to work. I do not know what will happen after I leave this ministry because I dare not predict the future. I, however, hope and expect the conscience of the politicians to react and that the country's leaders are truly willing to be honest and to get the country moving. This is what I want for me and my children. However, neither I nor the Armed Forces are the arbiters of this country. In this sense, I am only talking to get people to waken from their apathy and become aware of the importance of the election, which is their civic duty.

[Croes] When you say that you are leaving, does that mean that Radames, the vice admiral, is going to retire to civilian life or that he hopes to go to the presidency?

[Munoz Leon] The only presidency I wish to get is one in a company that will give me a job because I do not have a company, resources, or a fortune. Thus, I will go into retirement expecting to get a job. I hope I am given a good job and if it is the presidency of a company, so much the better. Just in case, however, I emphasize that I do not want the presidency of the country.

I believe the country should be run by the most able men; the ones who have been trained to lead the country and who have been in politics all their lives. I believe a military man is not prepared for this. I do not think I have to change this process and switch to the political world. I have not been trained to do this. I was trained to manage, to be an officer, and not to be a politician.

[Croes] Do you think Caldera will offer you a position?

[Munoz Leon] I do not believe I will be offered any position. Also, I do not want to work in public administration. I believe they will choose trusted men and the best ones to manage the firms.

[Croes] How long do you have left on active service?

[Munoz Leon] One year.

[Croes] Isn't the nonassertive and obedient attitude of the Armed Forces changing or growing weak at that institution's leadership level?

[Munoz Leon] The attitude is not changing. The concepts that support it still form part of the law and spirit of the members of the Armed Forces; but there is the growing wish, first, of acquiring top-level positions on the basis of merit; and, second, of being shown due respect for our professional merits and for our work for the country. This does not mean that we are not open to criticism, to constructive criticism. I can accept constructive criticism and constructive accusations. Constructive criticism promotes improvement since it comes from people outside the institution who may have answers to some problems. I have investigated accusations in the framework of the Defense Ministry's policy and because it has been charged that I was involved in some matters. I have carried out investigations to the end. Investigations are still pending on some matters.

[Croes] Are not the Armed Forces weakened as a result of the two coup attempts?

[Munoz Leon] I don't believe so. I think that right now there is much cohesion. There was a very positive reaction from the Armed Forces personnel at the three basic levels: professional troops, noncommissioned officers, and officers. There is much coherence and support for the High Command at this moment.

[Croes] Including junior officers?

[Munoz Leon] Yes, including what you call junior officers.

[Croes] There is cohesion with regard to their commander's authority?

[Munoz Leon] For the majority, yes. They have seen that finally there is a coherent position and that there is no weakness.

[Croes] Pablo Medina has told the media: "I am not against the Armed Forces. I am against the corrupt generals. That is who we have to remove now." Has this position weakened you?

[Munoz Leon] He says he is against corrupt generals, and so am I, if there are any. He, however, has not identified any corrupt general. He said the defense minister and the Army commander are planning a coup. That is what he said. He has not taken this matter to court, but has made a lot of noise to look like a hero for campaign purposes.

[Croes] What has happened in that trial?

[Munoz Leon] Nothing. The trial goes on. It will continue growing as groundless charges are made.

[Croes] Does Andres Velasquez agree with these charges?

[Munoz Leon] Sometimes I do not understand Andres Velasquez' position. I have spoken with him and I have told him that this does not help Radical Cause. I told him sincerely that if he were competing with me for votes, it would be fine to act the way he does, but it just so happens that I am not a candidate. I think he is aiming at the wrong target. He has to confront other candidates, not me. To win an election one must convince the people that one represents a valid option, and the people must be clearly told how one plans to govern. The defense minister has become a target for several reasons, one of which is to divert the people's attention during the 60 days remaining before the elections so they don't have to tell the people what they plan to do as of 5 December or from the time the new president is sworn in. They want to distract the people with meaningless, absurd, and unnecessary bickering

[Croes] They spoke about a coup scheduled for 30 September.

[Munoz Leon] The coup talks ended when I denied them. I imagine that now they will say it will be carried out at a later date. They may keep doing this until election day.

[Croes] What about the other side? Does it have coupist plans?

[Munoz Leon] Who is the other side?

[Croes] The left, the ultraleft, the so called ultras.

[Munoz Leon] The so-called ultras have some destabilization ideas, but I do not believe they can carry out a coup.

[Croes] Is there still fear that the Bolivariano Lodge of the Armed Forces could be infiltrating the Armed Forces?

[Munoz Leon] That lodge still exists, but I doubt it has any force to carry out a coup.

[Croes] Are there members of that lodge in the Armed Forces?

[Munoz Leon] There are still members of that lodge in the Armed Forces.

[Croes] Can they freely practice their belief?

[Munoz Leon] No. It is clandestine. The Armed Forces' intelligence corps is paying close attention, and those who have been caught have been discharged.

[Croes] Have many soldiers been discharged?

[Munoz Leon] No, not many. Only a few, relatively speaking. I do not know if it is because we have not been able to catch them in the act or because our legal framework sometimes keeps us from taking action. Right now we have a batch of constitutional guarantee appeals to make us take back those we have discharged.

[Croes] And?

[Munoz Leon] I hope the trend does not gain any ground. There has been enough legislation on this.

[Croes] What if it gains ground?

[Munoz Leon] The law is the law. There is always talk about extreme conditions, but one characteristic of the Armed Forces is its respect for the law.

[Croes] Arias Cardenas has shown signs of wanting to join the democratic political sector and said the only rifle there will be in the December elections will be the vote. Could this statement not be considered as an extenuating circumstance in his case?

[Munoz Leon] Many pretty sounding things can be said, but are they true, are intentions really being reflected here? That is the question that must be asked. I believe Arias Cardenas' words were very beautiful, the only rifle the Venezuelan citizen has is the vote, I believe that is very beautiful and praiseworthy. If that statement were made by an ordinary Venezuelan citizen, I would fully believe it, but if someone who took a rifle to oppose the vote tells me that, I do not understand it. It is not that I do not simply understand it. What I am saying is that I do not understand at this point how someone who went for a rifle instead of the vote is now saying that the vote is better than the rifle. That is incoherent in principle and I do not understand why in two conversations the Radical Cause Party leaders held with Arias Cardenas they convinced him to be the best democrat in Venezuela. I do not know why the Radical Cause Party believes Arias Cardenas, after trying to stage a coup, is the best democrat the country's needs.

[Croes] Is that not a closed position that worsens the conflict?

[Munoz Leon] No, it is an institutional position. It is my position.

[Croes] The Berlin Wall has collapsed, old enemies are seeking a rapprochement, is a pardon possible for the 27 November people?

[Munoz Leon] There is a difference here. When someone is pardoned it is because they are serving a sentence after it has been handed down. As for Arias Cardenas, Chavez and company, who have not even been subjected to the law, they cannot be pardoned because they have not even been tried.

[Croes] The same holds true for those involved in the 27 November incidents?

[Munoz Leon] It holds true for everyone, now...

[Croes] Including your friend Vice Admiral Hernan Gruber Odreman [27 November 1992 coup leader] and others from your service?

[Munoz Leon] It holds true for everyone, although those from my service, as you say, have complied with the legal requirements established by military justice. These are things that must be taken into account at the end of the road. I hope the sentence is handed down and I hope the problems of conflicting jurisdiction, which is obstructing the trial, can be resolved.

[Croes] Were you adversely affected personally by the cases involving Vice Adm. Gruber and Vice Adm. Luis Cabrera Aguilar?

[Munoz Leon] Of course it adversely affected me because they are my life-long friends, especially Gruber, who is my colleague friend. I told Gruber himself: "I am the defense minister and I am also your colleague friend so as a colleague friend I will help and favor you in everything I can, but as defense minister I have to act in accordance with the law, otherwise I would lose my position, my spirit, my principles, and I would violate the law because of my feelings, and that I will not do. I told him. Do not expect me to violate the law, I said. If your problem is solved politically or legally, I will be the first to celebrate it. That you can expect."

[Croes] Have the Bolivarians [Los Bolivarianos] and the 27 November people made any claims?

[Munoz Leon] Some have. I am currently studying some discharges, sorry, some discharges no, some dismissal of charges, as well as some discharges that are being requested. I believe that if a discharge is not advisable I will not approve it as is the case of Arias Cardenas. In the cases in which a dismissal of charges is advisable because the degree of guilt is less than those who are already on the streets, a point of comparison, they will know about it. Besides, it is the policy of the president of the Republic to grant these types of concessions to seek what many have called a national peace. I believe it is fair to review some cases and to dismiss some charges.

[Croes] One of the candidates says that his first administration was one of pacification; now he is thinking of putting those charged back into society.

[Munoz Leon] As long as this is not just demagoguery, I believe this could be possible. Now I would think that the first thing is to complete the proceedings and reach a final verdict and sentence, be it what it may. Once this is done the political leadership or the new president will have to decide on a pardon of a suspended sentence.

[Croes] Could we safely say that such incidents will not repeat themselves in the Armed Forces?

[Munoz Leon] I do not think the times are right for such a thing to happen within the Armed Forces. I do not think it would happen unless the situation were to become so extreme that the Armed Forces would be forced into action to reinstate the central government after a skirmish or a direct attack.

[Croes] Under what circumstances do you, Vice Admiral Radames Munoz, believe the Armed Forces might act? Would another 27 February be reason enough for the Armed Forces to move in and stay?

[Munoz Leon] Let me say this: A 27 February situation could mean one of two things; one could be that the central government remains in power and the Armed forces is acting under its orders to restore order over anarchy and quell any violence, and the other case could be that the central government has fallen, leaving what people call a power vacuum. This is highly unlikely to happen in a civilian uprising, but if it did the Armed Forces would have to move in and take power over the central government again and return it to the legally constituted authorities or to whomever the Constitution states.

[Croes] How does the defense minister view a Fujimori-type phenomenon, from a personal or an observer's perspective?

[Munoz Leon] That is a difficult question to answer, because the political leaders here are not faced with a situation like the one Fujimori had to deal with. This is, of course, something to think about. It entails saving the country from a chaotic situation, and the Armed Forces should not be the one to take this initiative. Those leading the country are the ones who must act. Now whether the Armed Forces would support the action would depend on the situation itself.

[Croes] Would the Armed Forces back such a move if it did happen?

[Munoz Leon] If, in my case, such a chaotic situation—I mean really chaotic—were to occur and the president were to propose a government such as that installed by Fujimori, I would have to answer based precisely on my assessment of the country's chaos. This is totally hypothetical, because I am sure no Venezuelan president has this in mind. We have had some difficult situations here, and we have managed to overcome them democratically. I would have to assess the situation before I answered.

[Croes] Would the situation have to occur?

[Munoz Leon] Of course; anything else would be mere speculation.

[Croes] Does the same go for the Pinochet case, for example?

[Munoz Leon] Yes. [laughter]

[Croes] Do you dislike Pinochet?

[Munoz Leon] Whether I like him is a matter of personal or political conviction. Politically, I do not empathize with the man, but he has done many important things for the Armed Forces and regained many things that had been lost. One has to evaluate leaders from all points of view to learn the best things about them; now it does not matter whether I agree with what he did or did not do, as that is something Chilean history will have to judge.

[Croes] It is said that the vice admiral and the Army commander disagree. What differences are there between you?

[Munoz Leon] That is not true.

[Croes] Has there been something, any friction?

[Munoz Leon] In principle we must say two things. We must say that this is not true; there is no friction between the defense minister and the Army commander. There is no friction; there is none. We are extremely responsible people, and when we meet in the Superior Board there is no friction. Each one explains his point of view, however, and then we reach a joint decision in that body called the Superior Board. I do not call the Superior Board to a meeting to tell them what the minister is going to do. I convoke the Superior Board so that it will solve a problem. All of the commanders, the chief of the Joint Chiefs of Staff, and the inspector give their points of view regarding a problem, and we seek a joint solution. There is no discrepancy.

[Croes] What is the Venezuela that Rear Admiral Radamas Munoz envisions for his children and grandchildren?

[Munoz Leon] I envision a Venezuela with a decent political ethic, with a vocation of direct service for those who want to direct the fate of the country, with a modern management of the state, with a state that will change certain procedures that are harming the system. I envision a Venezuela with people who are quite capable and who are worthy of being called leaders so they can convince the people of the sacrifice we must make to pull Venezuela out of the current situation. These leaders should have a more social and humane behavior, should respect the common citizen, and, above all, they must be true leaders who speak the truth. They should be leaders with a clear and well-defined purpose of moving this country ahead.

[Croes] Why did the Armed Forces maintain a passive position in the face of the governments that had ethical and moral maladjustments?

[Munoz Leon] I do not want to mention any names or specific administrations, because each one has his own personality and each Armed Forces officer has his own personality also. That is why we are criticized, and sometimes our prestige is marred. Nonetheless, we are an obedient organization; we are not a deliberative body. Many of those cases are ruled by that spirit of obedience, regardless of whether we agree, but we must always be obedient.

If we could write the history of the Armed Forces and their relations with the presidents, one would say that in many of the meetings we have had with some of the presidents throughout all of this time we have told them the truth, explained how we feel and how we have coped with some situations, and we have given them our recommendations. Now, whether they followed these recommendations, that is something else on which the president himself decides. We have obeyed, whether we agreed. Some have been discreet and have reconciled the situation; others have let it go by, while others have been more direct, have accepted things the way they are, and have also given positive replies.

[Croes] Are you a friend of Carlos Andres Perez?

[Munoz Leon] You mean a personal friend? I know President Perez like any Venezuelan knows him. I have spoken with him many times, but I would not say I am a personal friend of his, because we are not.

[Croes] Andres Velasquez has said that you have been a spokesman for the Democratic Action Party [AD] and the interests of Perez.

[Munoz Leon] First of all, he has to decide for himself, because if I am an AD spokesman and a friend of President Perez and he accuses me of all of things, then I would have to tell him the same thing I told Teodoro Petkoff [deputy of the Movement for Socialism party]. I know President Prez and I respect him as president, as I respect former President Caldera, as I respect President Luis Herrera, and I respect President Lusinchi. If they have anything to do with all of this politicking, their responsibility is personal with regard to this case. We are not giving any type of support in any type of situations that are outside the framework of justice.

[Croes] How far would the defense minister bear up under political sector attacks?

[Munoz Leon] I have said that the law is the limit. We must be patient, even when the criticisms we hear or read about come from individuals fully identified as out-and-out enemies of the Armed Forces. The Armed Forces have been tolerant, respecting the political world. They have hypocritically coexisted with us from the time of pacification on. These individuals have always been enemies of the Armed Forces, and now they beat their chests as if they were the country's best democrats, but we have not forgotten our dead. By the way, we commemorated another anniversary of the assassination of National Guard members in Tren del Encanto, where

certain political leaders and leftist organizations participated actively. These dead weigh heavily on their consciences, if they have any. An amnesty will not blot out the stain on the finger that pulled the trigger.

[Croes] Can they run for power?

[Munoz Leon] Of course, but the people must know who they are.

[Croes] Do you think the Armed Forces could tolerate this in the future?

[Munoz Leon] I cannot speak for the majority of the Armed Forces members. Personally, I do not accept these things, but I have a duty; otherwise, I would better quit the Armed Forces.

[Croes] Are the Armed Forces afraid of destabilizers?

[Munoz Leon] The Armed Forces are afraid of no one. It is they who should be afraid of the Armed Forces, not the other way around.

[Croes] The Armed Forces are not afraid of the Bolivarians or those of 27 November, either.

[Munoz Leon] No. First of all because we are fully convinced of our democratic standing; second, because we are sure the Venezuelan people will become aware of these things.

[Croes] What does a minister feel when he is pointed out as a conspirator?

[Munoz Leon] I do not have to go to the circus to see the clowns and laugh.

[Croes] The military members accused of corruption are in jail while the civilians are at large.

[Munoz Leon] We are not political policemen or judges of the political situation in Venezuela. I think the basic purpose of the country I want should be to have the moral and legal power to restore everything to its rightful place.

[Croes] What do you think about the administration of justice?

[Munoz Leon] We have not yet achieved the necessary maturity to give the Venezuelan people juridical security.

[Croes] Are we living in juridical insecurity?

[Munoz Leon] We are. There are too many legal loopholes and weak points, all of which facilitate cheating.

[Croes] Is there corruption in the administration of justice?

[Munoz Leon] I would not say so.

[Croes] Do you think the trials of the former presidents are being dealt with fairly?

[Munoz Leon] I hope so. I am not familiar with the case itself, but I hope the case is being handled fairly and the truth will shine forth. We have had instances where the administration of justice has restored things to their rightful place, such as the case of the National Guard members. I am not saying the amparo was just because it worked in their favor, but, after a long debate and a protracted revision, preliminary justices distinguished themselves for their ethical and moral traits when the time came for a decision.

[Croes] Some people in President Velasquez' government have asked him to remove the defense minister for the latter's belligerent stance. Have you heard anything about this?

[Munoz] No, not at all. I am supported by all of the ministers. Every time I meet them they shower me with congratulations and encouragement.

[Croes] Have you thought about resigning in this crisis?

[Munoz] The thought has not crossed my mind because I assumed a responsibility. It would be irresponsible of me to resign before the Venezuelan people. In view of my position in the Armed Forces, I would be handing over the problem to someone else. I think I must stay firmly in the job until the president of the Republic decides whether I should stay or go.

[Croes] What do you think about the Congress?

[Munoz] I respect the Congress deeply for what it represents, to the extent that I did not discharge Arias Cardenas for legal reasons and my personal view of the importance of a deputy or senator.

[Croes] Do you feel this respect now?

[Munoz] There is no true Congress at present. The Congress is part of what the people desire for their democracy. The people must also be respected so they can see the candidates' merits and so they can campaign for their circuits, states, and so on. I believe in the uninominal vote very much.

[Croes] In the uninominal vote?

[Munoz] The uninominal system, in which each leader will have to prove to the group of people whom he intends to represent that he is their genuine representative.

[Croes] What do you think about the unions?

[Munoz] The unions play a protection and support role for the workers. Sometimes there is no clear awareness that all of these attainments, some fair and some exaggerated, harm the entire country. I think the president of the Republic's idea of seeking a national pact implies everyone working so the country can forge ahead, which is the only way this same country can meet the workers' needs later.

[Croes] What is your highest aspiration once you retire? Where do you come from? Why do people generally regard the Navy as an aristocratic force? Is is true the Navy has many aristocrats in its ranks?

[Munoz] That is not true, particularly because there is no aristocracy in Venezuela.

[Croes] It is said all of the officers have blue eyes, with the exception of dark-complexioned Brito.

[Munoz] First, there is no aristocracy in Venezuela. Second, I am of lowly origin. I was born in San Luis, in San Jose Parish. I belong to a lower middle class family, where each and everyone had to work for our daily bread and as preparation for a better future. I received firm support from my family, support which made it possible for me to forge ahead and aspire to the position I hold at present. I have attained this position through hard work. Neither my family nor myself possess a fortune. Some family members are well-to-do. This does not mean, however, that I have money. They money some of them have is not abundant. It has taken them plenty of hard work and time. I am of a low origin. My green eyes are a biological accident. My father had green eyes. I respect my parents. I believe in family unity as the true expression of a nation.

[Croes] Have you ever strayed from the principle of family unity?

[Munoz] No, not until now.

[Croes] Have you ever had a mistress?

[Munoz] This seems to be natural for many people.

[Croes] I mean your particular instance. Here I have a book written by a former, forgotten president. "If the military are necessary in war, they are dangerous in peace, and much more in the countries that aspire to be free." That was in 1832.

[Munoz] Those were other circumstances and other times. At present, the military are part of a society where they generate progress for the country. We, the military, cannot be as bad in peace as we are portrayed in that book. We guarantee peace.

[Croes] I spoke to an officer days ago and he gave me his general overview of the Armed Forces problem. He said they do not know what to do. The officer said, "I will be an admiral in 23 de Enero [poor neighborhood]," because he will live there, because there is no real compensation for the work they do. This could basically ruin any democratic option in the country.

[Munoz Leon] I would say that is a very self-centered attitude, because we military men have experienced penury throughout our lives. We have moved forward somehow while maintaining ethical values and being honest. When I married I was earning only 1,450 bolivares. Someone could say that was equivalent to $300; that is 30,000 bolivares today. That is, however, what others were earning then. It is true that a house does not cost the same, it costs twice as much today. I think the man who said he will be an admiral in 23 de Enero neighborhood is a poor man, one who is not spiritual. Perhaps he really meant to say that we have low purchasing power, and that is a reality. Now, there is something that has not been promoted as strongly as it should have because of the country's economic situation: military housing. What is military housing? It is a decent house where they can live in a decent society, in a community with another cultural level that will allow them to pay low rent and save enough money to buy an adequate house in 10 or 15 years or make adequate investments. If we add to this the Trusteeship Program and the Mortgage Program, we have three interesting programs—the Savings Plan, Trusteeship Plan, and Credit Plan—that would allow us to buy a house and not live in 23 de Enero neighborhood, as the officer you mentioned said. We must realize that Caracas is not the only place one can live, because houses there cost millions and because there are other options for these people. We need a good plan that would allow officers to live near their work areas.

[Croes] Most of the soldiers are here in Caracas, and they are annoyed by the fact that, for example, while the people are being told every day about corruption among (?doctors and the news media), they are going broke.

[Munoz Leon] That is true. We are struggling right now for a wage increase and to obtain the money we need to complete our welfare programs.

[Croes] Have you received it?

[Munoz Leon] Our salaries could not be raised in 1993. We will get a raise in 1994. It will be given in a very good spirit and by making certain sacrifices. There is talk of a zero to 60-day single bond [bono unico]. We are trying to see what we can accomplish. It is not a matter of Armed Forces officers and professional personnel receiving this form of compensation as well as our welfare programs. We are struggling to see if we can get money because we really have no liquid assets. We are trying to find a way to get enough money to continue our programs.

[Croes] Mr. Minister, what will happen with the Gulf of Venezuela? How long will the discussion continue?

[Munoz Leon] We have lived with that problem for a long time.

[Croes] Must we expect to live with it forever?

[Munoz Leon] I believe time is relative in international relations. The problem must be settled politically between the two nations. The Armed Forces must not meddle in the solution of the problem because the Armed Forces' duty is to defend sovereignty, not establish treaties.

[Croes] The Armed Forces have adopted a position: The gulf belongs to Venezuela, and there is nothing to argue about. Therefore, it belongs to Venezuela.

[Munoz Leon] I suppose the Armed Forces' position is based on the defense of sovereignty and national integrity, and when the negotiations are conducted national pride will be taken into consideration so the division of those waters will be fair to both nations. The Armed Forces are not opposed to negotiations or agreements. The Armed Forces' general view is that these negotiations and agreements should be as fair and proper as possible.

[Croes] Should the Armed Forces be consulted?

[Munoz Leon] I believe so. We have not asked to be consulted, but I think it is logical to consult all institutions in the country, including the Armed Forces. That is what has been done in the past. Relations between two nations quite often must be measured in terms of time; every year or every day that passes, relations gradually change and become increasingly dynamic. I believe in integration. I believe, basically, in integration, in the common exploitation of many things, and in combined economic progress. I believe the time has come to fulfill certain dreams The Liberator [Simon Bolivar] had regarding this type of union between the American nations; union without sacrificing pride or position but making a fair assessment of the situation.

[Croes] In reference to The Liberator's dreams, you said the Armed Forces have not forgotten their dead of this era. Could it be that the others have not forgotten the people who were killed in that war?

[Munoz Leon] That is possible.

[Croes] Neither group has forgotten that confrontation.

[Munoz Leon] Yes, that possibly is the case. However, it does not make sense that any group, that one side tell the other that they are the only ones that can rule the country, because neither one nor the other has this right. The country has the government that it wants. The country has to be educated so that its civic attitude will define the future and not destroy it. Neither one group nor the other is right when it wants to take over control of the state by one person.

[Croes] Have you ever received [Lieutenant Colonel Hugo] Chavez here?

[Munoz Leon] No.

[Croes] Has he ever requested a meeting?

[Munoz Leon] No.

[Croes] You seem to have detected some sort of a movement, an illegal movement, because they refuse to act according to the law.

[Munoz Leon] What I mean to say is the following: Each person has his own principles. I think they do not wish to act according to the law because of their principles or beliefs which might or might not agree with mine. I act according to the law, and if the law should change, I would have to change according to what the law says.

[Croes] The Constitution says that subversion or rebellion is possible when problems cannot be solved according to the Constitution through democratic means.

[Munoz Leon] Yes, if one interprets the Constitution in one's own way and goes against the system, then each one interprets the Constitution and the laws as one sees fit. The important thing is that the official interpretation of the Constitution be according to the wishes of the people and the rulings of the Supreme Court—that is jurisprudence. This business of freely interpreting the Constitution is like freely interpreting the Bible. I remember that in the sixties, some said that Jesus Christ was a communist. Darn! Merely because He whipped the Pharisees, others took up flags and called him the Liberator in a series of situations that had to do with a series of subversive actions. [sentence as published] I feel each one seeks an action that will allow him to stand out.

[Croes] Is it that after this generation of the Military High Command, the Armed Forces are no longer shaping history?

[Munoz Leon] I cannot answer that question with a simple yes or no if in fact there are people who did not shape history in due time, people who really did not know of all the cruelty that was being committed by both parties, people who did not understand what a fratricidal war means, people who did not see police officers being killed on a daily basis until over 60 had been killed. At that time, a humble man, a hard-working man who was working hard and complying with his duty was a man who was raising a family. Many cruelties were committed, national guardsmen were killed in El Encanto, there were many dead and wounded on both sides, and this brought grief to many Venezuelan families. People who never saw that have no right to speak now. However, I am sure of one thing: They are people who do not want anarchy, and they do not want for their people a system other than the one the people themselves chose.

[Croes] Is this a democracy?

[Munoz Leon] I think so, but it has to be perfected. I am going to use a phrase by Dr. Luis Herrera Campins when he spoke early in his administration of the perceptibility of democracy. I think that if this had been the spirit from that time to now, we would be talking of a nearly perfect democracy because we would have solved many problems.

[Croes] What do you call a perfect democracy.

[Munoz Leon] A perfect democracy is one in which the institutions work and struggle for the common citizen, and the public officials are public servants and not public tyrants. It is a democracy where there is personal

security for all Venezuelans, where the police are efficient, where the measures that are adopted help the people, are accepted, and are within the legal system.

[Croes] Judging by what you are saying, what we have in Venezuela is not a democracy. We do not have any of that in Venezuela.

[Munoz Leon] It is not a perfect democracy.

Munoz Denies Any Knowledge of Conspiracy

PA2010183693 Caracas Venezolana de Television Network in Spanish 2350 GMT 19 Oct 93

[From "The News" newscast]

[Text] Defense Minister Vice Admiral Radamez Munoz Leon has denied that journalist Jose Vicente Rangel will be tried by a military court because of the reports he made during his Sunday television program. Nevertheless, the minister said that he has asked Judge Rafael Moreno Natera, who is handling the rebellion case, to summon Rangel to make a statement so as to learn the names of the four military officers allegedly interested in staging a coup d'etat. We go to the Miraflores Presidential Palace where Melisa Soto has this report for us:

[Soto] Journalist Jose Vicente Rangel, in his Sunday program, said that the defense minister had the names of four generals who were involved in a military conspiracy. To this end Munoz Leon gave assurances that he had no information about any list of names. He said he would be willing in any case to go to any court in the Republic to clarify this case for the benefit of all and the development of democracy.

[Begin Munoz Leon recording] I am willing to attack rebellion or conspiracy problems regardless of who is involved. No matter who is involved—either a general or a soldier, a civilian or a member of the military. I ask only that based on the credibility Rangel has—and he has proved to have it in this country—and because he has in the past repeatedly said that he is responsible for the reports he makes during his program, to go as a citizen, as Venezuelan citizen, and name those involved in this conspiracy. He claims to have much information—information which could be of serious import for the country. We need to end once and for all in Venezuela these rumors and those conspiratorial attitudes. We need to defend the right to democracy. I am willing to defend it and I hope that he is also willing and releases the names. [end recording]

[Soto] In another turn of events, the defense minister also reported that the president ordered a stay, for health reasons, in the proceedings in favor of Lieutenant Colonel Luis Guillermo Pineda Castellano. Likewise, a study is being made of the other 10 requests for dismissal, some of which will be rejected due their involvement in the 4S and 27N [not further identified].

Foreign Minister Cited on Halvorssen, Haiti Issues

PA2110022093 Caracas Venezolana de Television Network in Spanish 2350 GMT 20 Oct 93

[Report by Melissa Soto]

[Text] Foreign Minister Fernando Ochoa Antich stated that the Foreign Ministry will initiate an investigation to determine whether Thor Halvorssen [a suspect in a terrorist bombing case] was really a presidential antidrug commissioner during the administration of deposed President Carlos Andres Perez.

The announcement was made by the foreign minister after swearing-in Venezuelan ambassadors appointed to France and Peru. On this occasion, Minister Antich explained that he had received a note from the Norwegian Ambassador in Venezuela (Hobner Ubgein) urging the Venezuelan Foreign Ministry to intercede in this case.

[Begin recording] The Venezualan constitutional doctrine clearly establishes that double nationality is not accepted. The gentleman you have just mentioned, as far as Venezuela is concerned, is a Venezuelan citizen, and he is subject to Venezuelan law. In this respect, we do not accept the presence of any other country in this issue. [end recording]

On this occasion, the foreign minister also referred to Venezuelas' position with respect to the Haitian issue. He stated that Venezuela's conduct has always been within the framework of the UN resolution.

President Calls for Honest Elections, End to Dirty Campaign

PA2010194493 Caracas Venezolana de Television Network in Spanish 2350 GMT 18 Oct 93

[Report by Aneis Gonzalez from "The News" newscast]

[Text] The upcoming elections must be handled very responsibly, as they will have an unprecedented and historic impact. This was said by President Ramon Jose Velasquez at Miraflores Palace during a news conference detailing his recent five-day tour of foreign countries.

Regarding the Rio Group meeting in Chile, the president said there had been no rhetoric and that participants had set out to discuss Latin America's economic and social situation. They emphasized the need for definite economic changes without forgetting social problems, such as poverty, marginality, and malnutrition, that are scourging Third World countries.

Regarding the latest events in the country and the announced dirty war between [National Convergence candidate] Rafael Caldera and the Social Christian Party, Velasquez stated that only the people's vote will determine who will be the next Venezuelan president.

[Begin Velasquez recording] The problem now lies in the respectability of the elections and in the historic conscience of the political parties. When I say historic conscience, what I mean is that if they want to consolidate their presence in Venezuela's future, they have to make this electoral bout an event of great responsibility. I have said—and I repeat—there are only six weeks—52 days—left before the elections. It is time to end the dirty war. [end recording]

In regard to the terrorist attacks and the possible links of a politician to those events, President Velasquez reiterated that the Technical Judicial Police continues to investigate the case and that the whole truth will be known.

He also referred to the dismissal of charges against the 10 soldiers who participated in the last coup attempt.

[Begin Velasquez recording] Basically, we want the judicial process, which is at a standstill, to advance so that decisions are made. Yes, I have signed the dismissal of charges—I did so in previous cases too—as was publicly reported in the official gazette. My interest in this matter is a permanent one. [end recording]

Presidential Candidate Favors Creation of Narcotics Police

PA2010195893 Caracas Venezolana de Television Network in Spanish 2350 GMT 15 Oct 93

[From "The News" newscast]

[Text] For General Nelson Ojeda Valenzuela, presidential candidate for the People's Independent Force, the only way to prevent the continued effect of international drug trafficking on our country is by creating a narcotics police.

[Begin Ojeda recording] This narcotics police would have ties to all other police forces in the world. It would have specialized laboratories to conduct investigations. It would have an inventory and all documentation needed to identify people related to this crime. And it would also have the necessary funds and personnel to advance, together with other police forces and the Venezuelan Armed Forces, this never-ending struggle against drugs. [end recording]

Copei Candidate Alerts Party to Possible Electoral Fraud

PA2010185193 Caracas Venezolana de Television Network in Spanish 2350 GMT 18 Oct 93

[From "The News" newscast]

[Text] Social Christian Party [Copei] candidate Oswaldo Alvarez Paz has called on his party's members to prepare for a possible disavowal of the 5 December election results. Alvarez Paz made this call at a meeting with 11 Copei governors who won their posts in the last election. The meeting was held to discuss the governors' priorities since regional needs differ according to location, income, and production. Most of the governors requested that the decentralization process be speeded up to increase control over goods and services they now manage.

Regarding the campaign to discredit the prestige and credibility of the defense minister, the High Military Command, and the council [words indistinct] and its president, Oswaldo Alvarez Paz called attention to the possibility that this campaign's intention is to promtoe electoral fraud on 5 December.

[Begin Alvarez Paz recording] The country will be left in the hands of the institutions I have mentioned from the moment the Venezuelans begin voting on 5 December until the elected president is proclaimed. So why are they cunningly calling into question the position of the president of the Supreme Electoral Council and his organization? Why do they question the defense minister and the High Military Command, which is responsible for the [word indistinct] operation? I believe it's because, aware of the approaching defeat, they are organzing things to be able to claim that the votes were miscounted and that fraud was committed. This cannot be tolerated. I want to say very clearly that I will win and collect. [end recording]

Should Alvarez Paz become president, he will have as spokesmen the state governors who are most affected by problems in their own regions.

Justice Minister Denies Pressure in Terrorism, Drug Cases

PA2010190693 Caracas EL UNIVERSAL in Spanish 15 Oct 93 p 1-16

[Excerpt] Speaking at Miraflores, Justice Minister Fermin Marmol Leon has said that the government has not been pressured on terrorist cases. Quite to the contrary, the government "has been serious in its investigations. It has managed the case seriously and without any compromises."

Noel Vera Sandoval, the only judge in charge of this case, has publicly stated that he has not been under any pressure, the justice minister said. "As you know, those arrested have been placed under the jurisdiction of the judge in charge of the case, the file has been sent to him, and, at the request of the judge himself, we will continue to investigate a few additional matters," Marmol Leon added.

In regard to pressures reportedly exerted on Judge Mildred Camero in the drug trafficking case, Marmol Leon pointed out that she could be under pressure "not only from organizations that operate in Venezuela but also from those that have an international scope." The minister said that the judge had been offered the necessary protection so that she could continue and complete her investigations successfully.

He was asked: As an investigator, do you suspect that leading bankers have ties to drug-trafficking activities? He replied: I don't think so. I have no evidence right now to take such a stance. If evidence pointing in that direction were to be found, we would of course investigate it, Minister Marmol Leon added. [passage omitted]

Democratic Action Candidate on Plans To Reduce Government

PA2110040193 Caracas EL GLOBO in Spanish 18 Oct 93 p 3

[Text] The Democratic Action [AD] party's presidential candidate said yesterday in La Charneca sector of Caracas' San Agustin parish that reducing the state's bureaucracy will undoubtedly cause problems but not unemployment.

Claudio Fermin, who was warmly welcomed by hundreds of people upon his arrival in the area and acclaimed as the next president of the Republic by his fellow AD comrades, answered questions for reporters attending the event.

In response to a question about one of the proposals included in his electoral platform entitled "Agenda for Progress," the AD candidate explained that the task of reducing the size of government and turning it into a viable project will cause many problems, which is natural, but it cannot be delayed because Venezuela's income from petroleum sales can no longer be used to fatten a bureaucracy that is already obese.

An example of my experience at Caracas' city hall, he said, will show you how the government's payroll can be reduced if new job sources are simultaneously created. In 1990 I took charge of the Directorate of Day Care Centers, which employed 700 teachers, workers, and laborers to care for only 800 children. That had to be stopped. I eliminated the Directorate and created the Plan for Overall Attention for Preschool Children, which did not employ anyone from city hall. The plan covered 25,000 children without the risk of strikes by its 2,400 employees; far more employees than we previously had.

My government, Fermin announced, will make an organizational readjustment in Venezuela to make room for private enterprise and new sources of employment.

At present, he added, we have a weak state that has lost the people's confidence because it has failed to meet its citizens' basic needs.

We have made up our minds that we can live on what we pump from the budgets of the nation, departments, and municipalities, and in the end we will have nothing. The state failed to undertake the task of generating wealth. It has closed its doors to the private sector, hindered economic growth, and turned into a Dr. No because it said no to everyone.

Asked where he will get the money to pay benefits to so many government employees, Fermin said it would be better to ask ourselves how much it will cost in two or three months or even by tomorrow when an employee has spent eight months on the job and earns another year of seniority.

Fermin said that to achieve the goal of having a smaller but more efficient state, it is necessary for "Venezuelan people from every walk of life to erase futile arguments and insults from their agendas and agree on fundamental issues that will allow the nation to grow and progress."

Claudio Fermin has been working intensely in neighborhoods, hamlets, and towns throughout the nation to establish direct contact with the voters and reduce the advantage the other candidates have over him, at least in the polls.

His message focuses primarily on economic issues with a liberal emphasis that was previously not associated with him. Fermin wants to make clear to the nation that he plans to modernize Venezuela's economy while developing a broad social program to deal with the needs of the impoverished masses. Within the next few days we will know if this exhausting neighborhood-by-neighborhood effort is yielding any results.

* Environmental Damage in Orinoco Delta Detailed

93SM0443C Caracas EL DIARIO DE CARACAS in Spanish 9 Sep 93 p 8

[Article by Luis J. Cova]

[Text] The Orinoco Delta could well be called the last paradise, because of its huge wealth and beautiful scenery. But all these natural resources run the risk of being lost, unless the plundering of the forests, the fauna, and the water men—the indigenous Waraos and original lords of this region—is halted.

Added to these problems is the fact that this frontier has become a semiclandestine exit to Guyana for fuel and oil products and animals from our wild fauna. It is also an entry for illegal immigration from that neighboring country, the social impact of which is unpredictable.

A week of travel through a thousand-kilometer tangle of rivers and narrow channels with a patrol mission of the National and Profauna Guard offered the opportunity to talk to the native creoles and Guyanese. It also presented the opportunity to visit several communities and see the most urgent problems of the region and the official efforts to bring some services there and to hear stories of racism and abuses against the Waraos. In the mid and lower deltas, the most evident authority is exercised by the National Guard through command posts in El Volcan, Curiapo, La Linea, and Punta Barima and by missionaries and native commissioners. This is clearly not sufficient to protect such wealth spread out over an area of over 20,000 square kilometers.

Gasoline Smuggling.

Lagoven's gas station in the port of El Volcan must be among those that register the highest sales in the country. It supplies not only all the riverboats that travel along this mid and lower section of the delta, but takes care of the demand from neighboring Guyana by smuggling.

In this international port, one can see daily boats of over 10 meters long, propelled by three or four motors, under the Venezuelan flag with a Guyanese crew. Their objective: to load gas, diesel fuel, oil, and plastic items. Destination: Guyana.

Purchases are accomplished with a legal permit issued by the Ministry of Energy and Mines for internal trade. In theory, these boats are on their way to the towns of Congrejito and Bella Vista, which are close to the Atlantic Ocean. But everyone knows, including the National Guard, that the fuel goes to the neighboring country. The Guyanese modus operandi is to navigate along the narrow channel until they reach the outlets to the Atlantic and, taking advantage of the lack of surveillance, make their way to their home country, making use of their powerful motors, according to the report of a guard, who expressed his frustration over these frequent occurrences.

The permits are given to people who apparently have their documents in order, for a fixed number of liters a month, which is verified by the port authorities, but according to our source, there are lots of boats involved in this business.

Profauna has proof that these same people are engaged in buying wild animals from the natives. These are later sold on the world market using the Guyanese wildlife quota for their sale, as if the animals came from their territory.

The Waraos

Historically, the Waraos have been native to the delta. For centuries they lived from fishing and gathering, later they took up crop cultivation and hunting. Today the hunted animals are not for their own use but end up in the hands of animal dealers in San Felix, Barrancas, or Tucupita, who make good profits selling the choice meats of chiguire, baquiro, picure, and venison to restaurants, while the natives receive a few coins for despoiling the fauna.

In addition, the Guyanese traffickers have started an illegal commerce in parrots, parakeets, and guacamayas, that cannot be quantified but has practically caused the disappearance of these birds, which were once very common in the delta region. The ultimate fate of these animals is to be sold as pets in U.S. and European households, says Salvador Boher, director of Profauna Protection.

The natives receive from 200 to 1,500 bolivares for a guacamaya, which when reaching stores in New York, London, or Amsterdam, can bring up to $5,000, according to Profauna sources. No wonder that during this long journey, members of the commission hardly saw more than a hundred birds, counting guacamayas, parrots, and parakeets.

Employment opportunities for the Waraos are scarce, although they constitute a cheap source of labor.

The timber industry in the delta, which once had six sawmills, is at a standstill, because the owners have not yet prepared the management plans required by Seforven [expansion not given] to achieve a sustained harvest from the forests.

Businessmen claim that they cannot make a profit that way, and prefer yearly logging permits, a practice that depletes the forests.

Thuanerge Nunez, a forestry engineer from MARNR [expansion not given], says that only one businessman has a management plan for a lot ceded to him by Seforven, but he is not making use of it.

The sawmills were the livelihood of communities like la Guniquina, located on a channel that bears the same name. A sawmill operated there for years, which employed a number of people, and its owner, Chano Renauld, also supplied the community with gas and food supplies. When the mill closed, that source of work for the Waraos ended and supplies are now lacking.

The services infrastructure set up by the regional government does not always work, several electrical generators are damaged, water is taken directly from the river, doctors do not visit the dispensaries often, some teachers do not take an interest in their pupils, the commissioners are not the best, and there are problems with transportation.

The lack of jobs in Guniquina does not stop alcohol from flowing. When we spent a night there, there was a party (not in our honor), young people danced in a frenzy to Colombian music. Almost everyone was smoking and bottles were passed around. It was a sad sight.

Complaints about this situation come from someone from these communities: Luis Enrique, the teacher, who talked about the Waraos being discriminated against, and charged that they are paid less for their work. As an example, he mentioned the cutters of the Manaca Palm, which produces heart of palm.

He mentioned overcharging for food staples, the illegal sale of liquor, the poor treatment of the natives by the creoles, and pointed out the spurious community leaders, who under political banners seek only their own advantage.

With as many vital resources as there are in the delta, it is difficult to understand the harsh situation of most of the Waraos.

Nevertheless, they live better than those who left for Tucupita, or those who wander around the streets of

Barrancas, where they are looked upon as fifth class citizens, according to several members of the commission.

* Escovar Salom on Telephone Spying, Perez Cases

93SM0443A Caracas EL NACIONAL in Spanish 10 Sep 93 p D1

[Article by Wilfer Pulgarin]

[Text] The subject of telephone spying is not a new one in Venezuela, but it took an unexpected turn following the police entry and search of offices owned by the former director of Disip [Directorate of Intelligence and Prevention Services], Rafael Rivas Vasquez, who presumably had worked for several ex-ministers of the Carlos Andres Perez administration.

The subject was discussed during a meeting held yesterday in Miraflores between the prosecutor general of the Republic, Ramon Escovar Salom, and President Ramon J. Velasquez. It was also the subject of statements made by the current minister of interior, Carlos Delgado Chapellin.

Escovar Salom said that he was not in a position to make accusations regarding reports that former Interior Minister Alejandro Izaguirre and Luis Pinerua Ordaz, at Perez's orders, were behind the illegal telephone recordings of Venezuelan military officers and politicians.

"Yes, I believe that this is something that deserves a very thorough investigation. What is behind this, in the final analysis, is the use of secret funds. The main problem is that there must be openness in the management of the state's resources and it should not be possible to use these funds against the Venezuelan people, because it is an attack on their rights.

"But it is not only a matter of the telephone calls, but other things as well that come under the scrutiny of this investigation, which is taking place, or is going to take place, in a court of justice. I believe that this is one of the most serious incidents to take place in Venezuela in a long time. It is of tremendous significance," he said.

"Now, we have to determine who is responsible. Whether one of the ministers is responsible or if, by any chance, the former president is responsible, I do not know yet," he said.

The prosecutor general replied to the criticism made by Perez's lawyers following his meeting with the president of the Supreme Court of Justice, Gonzalo Rodriguez Corro.

He stated that what the former president sought "when he wanted the entire court to come to Miraflores" was to exert pressure and to gain an advantage.

"Pressure," he continued, "is what ex-President Perez used when, during a speech here in the White Palace, during the governors' convention at the beginning of May, he made a series of statements essentially putting pressure on the Supreme Court of Justice. If there is anyone who should not talk about pressure, it is the ex-president's lawyers."

With regard to his meeting with the president of the Supreme Court of Justice, he stated that it took place in the open, not secretly, and furthermore was pursuant to the Constitution, "which requires collaboration between public authorities. It would be bad," he pointed out, "for the president of the court and the prosecutor general not to speak to one another. This is normal in any decent and civilized country. There is nothing objectionable in this, and I am surprised that lawyers as distinguished as those defending the ex-president should express such an opinion."

He dwelt on the subject, pointing out that it is his duty to collaborate with the highest tribunal of the Republic regarding the substantiation of charges.

"I can approach him any time I deem it useful. That is my right and my duty," he said.

Escovar Salom said that another subject that was discussed with Velasquez related to the budget that is being prepared by officials of the attorney general's office to address salary demands.